



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

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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)

**REPLY OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) TO RESPONSES
TO SDG&E'S NOVEMBER 30, 2018 PETITION FOR MODIFICATION OF
D.15-07-001 AND D.17-07-006**

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February 11, 2019

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I. INTRODUCTION

Pursuant to Rule 16.4(g) of the California Public Utilities Commission’s (“CPUC” or “Commission”) Rules of Practice and Procedure (“Rules”), San Diego Gas & Electric Company (“SDG&E”) respectfully files this Reply to the responses parties filed to SDG&E’s November 30, 2018 Petition for Modification (“Petition”) of Decision (“D.”) 15-07-001 and D.17-07-006. In an email ruling dated February 4, 2019, Administrative Law Judge (“ALJ”) Doherty granted SDG&E’s request to file a Reply by February 11, 2019. As such this Reply is timely filed.

In the Petition, SDG&E seeks to suspend application to SDG&E’s residential customers of the High Usage Charge (“HUC”) that the Commission adopted in D.15-07-001, as modified by D.17-07-006. In D.15-07-001 and D.17-07-006, the Commission referred to the High Usage Charge as the Super-User Electric [or Electricity] Surcharge, or “SUE Surcharge.”¹

As discussed in more detail in the Petition, SDG&E is seeking to suspend application of the High Usage Charge to SDG&E’s residential customers for the following reasons:

¹ See, e.g., D.15-07-001 at 121 and D.17-07-006 at 3.

- Although the Commission made it clear in D.15-07-001 that it did not want to “reward” high usage customers, the impact of the High Usage Charge on SDG&E’s residential customers has been unnecessarily punitive.
- When the Commission adopted the High Usage Charge, the High Usage Charge was intended to apply only to a “small” number or “narrow subset” of customers, not “ordinary” customers, but this has not been SDG&E’s experience.
- The High Usage Charge is not needed to drive conservation in SDG&E’s service territory.
- If the Commission suspends SDG&E’s High Usage Charge, as SDG&E requests, the impacts on SDG&E’s Tier 1 and Tier 2 customers will be limited.

The following parties filed responses to SDG&E’s Petition: the Public Advocates Office (“Cal PA”), the Center for Accessible Technology (“CforAT”), Pacific Gas and Electric Company (“PG&E”), Southern California Edison Company (“SCE”), The Utility Reform Network (“TURN”) and the Utility Consumers’ Action Network (“UCAN”).

In its response, UCAN “supports SDG&E’s petition to suspend the HUC . . . pending further consideration of its structure and customer impacts.”² SCE also supports SDG&E’s petition (and asks the Commission to apply relief to SCE’s customers).³ Cal PA, CforAT and TURN oppose SDG&E’s Petition, but express an openness to examining alternative approaches to mitigate residential bill volatility. PG&E, in its response, did not take a formal position. While not all parties supported SDG&E’s Petition to suspend the High Usage Charge, most parties agreed that there are issues with the current High Usage Charge that warrant further examination. SDG&E urges the Commission to suspend the High Usage Charge for SDG&E as it considers whether further reform of the High Usage Charge is necessary.

² *UCAN Response to Petition for Modification of D.15-07-001 and D.17-07-006 by San Diego Gas & Electric Company* (February 1, 2019) (“UCAN Response”) at 2-3.

³ *See e.g., Southern California Edison Company’s Response to San Diego Gas & Electric Company’s Petition for Modification of D.15-07-001 and D.17-07-006* (February 1, 2019) (“SCE Response”) at 1-2.

In this Reply, SDG&E:

- Addresses the key issues parties raised in their responses;
- Answers the four (4) questions ALJ Doherty directed SDG&E to respond to in his February 4, 2019 email ruling; and
- Reiterates SDG&E's request for prompt action on its November 30, 2018 Petition.

To be specific with respect to the timing of the Commission's action on SDG&E's November 30, 2018 Petition, SDG&E is respectfully requesting that the ALJ issue a proposed decision by no later than March 26, 2019 so that the Commission can issue its decision on SDG&E's Petition by no later than its scheduled April 25, 2019 meeting. This is because SDG&E will need approximately 60 days from the date on which the Commission issues its decision to implement the rate change and SDG&E would like to implement the change prior to (or as soon as possible thereafter to) the start of its summer rate season, which begins on June 1, 2019. SDG&E realizes that its proposed schedule is an expedited one, but is very concerned that without timely relief, our customers will be exposed to another very hot summer.

The specific action SDG&E is requesting is that, consistent with the position UCAN is advocating for, the Commission immediately suspend the application of the High Usage Charge to SDG&E's customers pending further review of the efficacy and need for the High Usage Charge and potential alternatives thereto.

II. DISCUSSION

A. Reply to UCAN

In its response, UCAN states that it "supports SDG&E's petition to suspend the HUC out of concern for the fair and reasonable treatment of residential customers."⁴ UCAN also states

⁴ UCAN Response at 2.

that it “supports the expedited schedule for action on this request in order to prevent ratepayers from experiencing this type of rate shock again.”⁵

In support of its position, UCAN explains that in comments leading up to the Commission’s adoption of D.15-07-001, UCAN had “expressed concern that a ‘steep tiered rate’ may not have a desired conservation effect” and also expressed concern about “using the brute force of a steep tiered rate on all upper tier customers, some of whom may be unable to conserve more than they presently do.”⁶

Now that the High Usage Charge has been implemented, UCAN suggests that some of its initial concerns have been realized. For example, UCAN states that:

- “Unfortunately, as SDG&E points out in its petition, in practice the HUC affected a much larger portion of residential customers” than anticipated and that “SDG&E has observed that over 10 percent of its residential customers were assessed the HUC during at least one month during the time period from November 1, 2017 through October 31, 2018.”⁷
- “SDG&E has also observed that ‘two key factors not originally contemplated by D.15-07-001 – the extremely high temperatures in Summer 2018 and complications in achieving tier differential reductions as envisioned by SDG&E’s glidepath – have exacerbated residential experiences with the [HUC].”⁸
- “Furthermore, SDG&E found that even CARE [California Alternate Rates for Energy] and FERA [Family Electric Rate Assistance] customers fell into the HUC category.”⁹

As such, UCAN states that the facts identified above warrant immediate suspension of the High Usage Charge to SDG&E’s customers:

It is UCAN’s position that these findings alone are sufficient cause for concern and that, based on these facts, it would be appropriate for the Commission to suspend the HUC pending further consideration of its structure and customer

⁵ *Id.*

⁶ *Id.*

⁷ *Id.* at 3.

⁸ *Id.*

⁹ *Id.*

impacts. UCAN therefore supports SDG&E's request to suspend the HUC and recommends that the Commission give significant weight to the potential negative impacts of billing a large portion of SDG&E's residential customers, particularly CARE and FERA customers under the HUC.¹⁰

SDG&E appreciates UCAN's support and agrees with UCAN that the Commission should immediately suspend application of the High Usage Charge to SDG&E's customers pending further consideration of broader issues. As a San Diego-based organization, UCAN observed first hand the difficulties SDG&E's customers experienced last summer. As such, the Commission should accord substantial weight to UCAN's position on SDG&E's Petition.

B. Reply to Cal PA, TURN and CforAT

1. Contrary to Cal PA's and TURN's Assertions, the High Usage Charge Has Significantly Impacted SDG&E's Customers

In their responses, Cal PA and TURN attempt to minimize the adverse impacts SDG&E's customers have suffered because of the High Usage Charge. For example, TURN asserts that "the impact of the HUC was not as punitive as SDG&E contends"¹¹ and that "only a relatively small number of customers saw significant bill increases due to the HUC."¹² Similarly, Cal PA

¹⁰ *Id.* In its response (at 3), UCAN also states that "SDG&E's Petition for Modification also includes elements that are unnecessary for the Commission to consider before approving its request to suspend the HUC. For example, SDG&E claims that 'the High Usage Charge is not needed to drive conservation in SDG&E's service territory.' There is no need for the Commission to address this claim in ruling on SDG&E's request to suspend the HUC. However, if the Commission does approve SDG&E's request to suspend the HUC, this claim would more appropriately be addressed by developing a factual record regarding the future of SDG&E's HUC and whether other methods are needed to encourage conservation. UCAN therefore recommends that the Commission decline to address this claim in ruling on SDG&E's request and instead allow it to be addressed when the Commission considers whether to reinstate the HUC." In its response (at 4), UCAN also proposes a slight revision of one of the new findings of fact that SDG&E had proposed in its Petition.

¹¹ *Response of The Utility Reform Network to the Petition for Modification Submitted by San Diego Gas & Electric Company on November 30, 2018* (February 1, 2019) ("TURN Response") at 4.

¹² *Id.* at 7.

states that only a “minimal number of customers” would benefit from SDG&E’s proposal to suspend the High Usage Charge.¹³

Contrary to Cal PA’s and TURN’s assertions, the High Usage Charge has significantly impacted SDG&E’s customers. As SDG&E explained in the Petition, “[o]ut of SDG&E’s approximately 1.2 million residential customers, approximately 123,400 (over 10%) have been assessed the High Usage Charge at least one month during the time period from first implementation on November 1, 2017 through October 31, 2018.”¹⁴ Moreover, for the HUC customers with only one or two months of HUC usage, a vast majority of HUC usage occurred during the summer season.¹⁵

In addition, the problem is not going away. As SDG&E explained in the Petition, “[t]he elimination of the High Usage Charge will continue to be a critical issue even as SDG&E’s residential customers are expected to default to TOU [time-of-use] in 2019.”¹⁶ This is because “Public Utilities (“P.U.”) Code Section 745 requires extensive exemptions for residential customers that may be defaulted to TOU” and “[t]he High Usage Charge may be even more challenging for these customers to avoid.”¹⁷ In addition, SDG&E expects the hot weather it suffered last summer to continue in the future.¹⁸ Finally, SDG&E anticipates that the differential

¹³ *Response of the Public Advocates Office on the November 30, 2018 San Diego Gas & Electric Company Petition for Modification of D.15-07-001 and D.17-07-006* (February 1, 2019) (“Cal PA Response”) at 3.

¹⁴ Petition at 8 (internal citation omitted).

¹⁵ *Id.*, Appendix C (Declaration of Cynthia Fang), at 8 (Chart 2, “Months in which HUC bills occurred for HUC Customers”).

¹⁶ *Id.* at 12.

¹⁷ *Id.*

¹⁸ As SDG&E explained in the Petition (at 9-10), while some might argue that “the unfortunate events from this past summer were an anomaly, the meteorology data suggests that summers have been getting progressively warmer over time and that this trend is expected to continue, as set forth in the graph below.”

for the High Usage Charge, and therefore the High Usage Charge rates, will continue to increase over time, just exacerbating the problem from this past summer.¹⁹

Cal PA and TURN also fail to appreciate the impact to individual HUC customers. The analysis SDG&E provided in the Petition was based on the population of SDG&E's residential customers subject to various exclusions, rather than a sample (as Cal PA suggests).²⁰ When looking at the population, the true impact of the High Usage Charge to individual customers can get lost in the "averaging" that occurs when attempting to summarize such a large data set. In the tables below, SDG&E provides more specific customer examples to better illustrate the bill volatility that results from the High Usage Charge.

The tables below present the actual bill information for 13 customers. These 13 customers are CARE customers in SDG&E's hot zone, (*i.e.*, customers in SDG&E's mountain or desert climate zones) that have a HUC bill in one of twelve months. These 13 customers have HUC usage that exceeds 500% of baseline in that one-month HUC bill. The tables below provide a comparison of a Non-HUC summer bill (June) and a HUC summer bill (July or August). Of these 13 customers, the change in usage between their June and their HUC bill ranged from 29% to over 500%. This resulted in increased monthly bills ranging from 50% (for a 29% change in usage) to 1060% (or an increase in bill of \$715 for a change in usage of 534%). For these 13 CARE customers, the bill volatility experienced this past summer and presented in the tables will not be fixed with the elimination of seasonal differences or with increasing the HUC threshold from 400% of baseline to 500% of baseline. Reform of the High Usage Charge remains a critical ingredient in the reduction of residential rate volatility.²¹

¹⁹ This is reflected in SDG&E's recently-filed supplemental glidepath advice letter ("AL"). See AL 3183-E-A, filed February 4, 2019 at 3.

²⁰ Cal PA Response at 2.

²¹ See Appendix A of this Reply (Declaration of Cynthia Fang).

Summer Bills of 13 CARE Hot Zone Customers Impacted by HUC

	Summer Non-HUC Bill - June		Summer HUC Bill - July/August		Change in Usage		Change in Bill	
	(kWh)	(\$)	(kWh)	(\$)	(kWh)	(%)	(\$)	(%)
Customer 1	2,194	\$ 498	3,214	\$ 941	1,020	46%	\$ 443	89%
Customer 2	2,272	\$ 565	2,942	\$ 846	670	29%	\$ 281	50%
Customer 3	905	\$ 179	2,446	\$ 705	1,541	170%	\$ 526	293%
Customer 4	813	\$ 130	3,072	\$ 876	2,259	278%	\$ 746	576%
Customer 5	1,175	\$ 232	3,030	\$ 861	1,855	158%	\$ 629	271%
Customer 6	430	\$ 68	2,725	\$ 783	2,295	534%	\$ 715	1060%
Customer 7	729	\$ 112	2,639	\$ 734	1,910	262%	\$ 622	555%
Customer 8	858	\$ 180	2,364	\$ 681	1,506	176%	\$ 501	279%
Customer 9	481	\$ 76	2,425	\$ 678	1,944	404%	\$ 602	797%
Customer 10	1,624	\$ 307	2,402	\$ 663	778	48%	\$ 356	116%
Customer 11	817	\$ 152	2,163	\$ 606	1,346	165%	\$ 454	298%
Customer 12	581	\$ 95	2,088	\$ 585	1,507	259%	\$ 490	518%
Customer 13	667	\$ 121	2,117	\$ 584	1,450	217%	\$ 464	384%

	Usage on Summer Non-HUC Bill -		Usage on Summer HUC Bill -	
	(kWh)	(% of BL)	(kWh)	(% of BL)
Customer 1	2,194	334%	3,214	649%
Customer 2	2,272	388%	2,942	594%
Customer 3	905	231%	2,446	600%
Customer 4	813	133%	3,072	572%
Customer 5	1,175	192%	3,030	564%
Customer 6	430	100%	2,725	591%
Customer 7	729	111%	2,639	515%
Customer 8	858	213%	2,364	600%
Customer 9	481	110%	2,425	526%
Customer 10	1,624	207%	2,402	501%
Customer 11	817	211%	2,163	530%
Customer 12	581	137%	2,088	530%
Customer 13	667	168%	2,117	502%

2. SDG&E is Open to Eliminating its Seasonal Rates, but the Commission Should First Immediately Suspend SDG&E’s High Usage Charge so that SDG&E’s Customers Will Have Some Relief this Summer

In their responses, Cal PA and TURN argue that SDG&E should reduce or eliminate its summer rate differential in lieu of suspending or eliminating SDG&E’s High Usage Charge.²²

Cal PA and TURN contend that such an approach would provide more benefits to a broader

²² Cal PA Response at 4; TURN Response at 8-13.

range of customers than suspension or elimination of SDG&E's High Usage Charge.²³ TURN further argues that "[t]he Commission should order SDG&E to eliminate or reduce its summer seasonal rate differentiation immediately, or else to provide additional testimony, analyses and recommendations in its next rate design portion of its rate case."²⁴

SDG&E appreciates Cal PA's and TURN's comments. SDG&E is open to eliminating its seasonal rates as part of a broader suite of reforms. Indeed, as TURN observes, SDG&E previously has identified eliminating its seasonal rates as one of a series of options SDG&E is considering to provide rate relief to our customers for bill volatility.²⁵ The consideration of the elimination of seasonal rates for residential customers should not be considered the single solution that will solve customer bill volatility. The High Usage Charge will continue to exacerbate bill volatility within summer months, as demonstrated in SDG&E's Petition²⁶ and the tables above. Although SDG&E intends to pursue the longer-term reforms mentioned above, it is important that the Commission still act to suspend SDG&E's High Usage Charge prior to the summer of 2019. The elimination of SDG&E's seasonal rates will take longer because SDG&E first needs the Commission's approval, then SDG&E will need time to properly implement the new rate.²⁷ This should not preclude the Commission from approving SDG&E's current proposal and providing immediate relief to customers, prior to the summer of 2019.

²³ Cal PA Response at 4; TURN Response at 11-13.

²⁴ TURN Response at 15.

²⁵ TURN Response, Attachment A. As indicated in Attachment A, SDG&E also is considering whether to propose a change in the timing of the Climate Credit.

²⁶ See Appendix C (Declaration of Cynthia Fang) of the Petition at 13-14 ("From June to August, for Non-CARE customers, average usage increased 63%, while bills increased by 77%, an increase of over \$300 (\$320). See Table 10 and Chart 3 below.") See also *Id.* at 14-15 ("For CARE HUC Customers, from June to August, average usage increased 83%, while bills increased by 110%, an increase of almost \$200 (\$191). See Table Table 11 and Chart 4 below.")

²⁷ SDG&E is in the process of evaluating several potential procedural vehicles in which to seek the Commission's approval to eliminate SDG&E's seasonal rates. SDG&E will be filing its 2019 General Rate Case ("GRC") Phase 2 application on March 4, 2019, but SDG&E does not believe this is the best

3. The Commission Should Not Reconsider CforAT’s Flawed Proposal to *Expand* Application of the High Usage Charge to TOU Rates

In its response, CforAT argues that the Commission should not only affirm the current application of the High Usage Charge, but should *expand* its application to TOU rates.²⁸ CforAT acknowledges that the Commission considered and rejected CforAT’s expanded proposal in D.15-07-001, but argues that the Commission should reconsider the issue.²⁹

As a threshold matter, SDG&E observes that if CfoAT wishes to revise D.15-07-001, CforAT should file its own petition for modification. In addition, on a substantive basis, SDG&E strongly believes that the Commission correctly declined to apply the High Usage Charge to TOU rates when the Commission addressed this issue in D.15-07-001 (reasoning that significant customer confusion likely would result from implementation of CforAT’s proposal).

For example, the Commission stated that:

- “We have considered whether the SUE Surcharge should apply to TOU rates and determined that the potential downsides of this approach outweigh the benefits. Specifically, based on the evidence in this proceeding, we believe that adding the SUE Surcharge to the TOU rates will result in rates that are less understandable and therefore more difficult for customers to respond to.”³⁰
- “A SUE Surcharge in TOU rates is counter to our goal to make TOU rates understandable to the customer. If a SUE Surcharge is included in TOU rates, then we would effectively have a tiered TOU rate. As discussed above, the tiered TOU rates have been confusing to customers and have not been well received. In

option in which to seek the Commission’s approval to eliminate seasonal rates because SDG&E does not anticipate that the rates that ultimately are approved in the 2019 GRC proceeding will be implemented until *after* the summer of 2020. Other potential alternatives are Phase III of the consolidated Rate Design Window proceeding (Application (“A.”) 17-12-011) and Phase 4 of the residential rate reform proceeding (Rulemaking (“R.”) 12-06-013), but the Commission already has determined the scope of these two proceedings and they are poised to be underway soon. A petition for modification or an application requesting expedited treatment are two additional potential alternatives. If and when SDG&E were to gain the Commission’s approval to eliminate its seasonal rates, SDG&E then would need an appropriate amount of time to implement the new rates.

²⁸ *Center for Accessible Technology’s Opposition to Petition for Modification of D.15-07-001 and D.17-07-006* (February 1, 2019) (“CforAT Response”) at 1 and 11-15.

²⁹ *Id.* at 12.

³⁰ D.15-07-001 at 128.

addition, including a SUE Surcharge could move the TOU rate further from cost-basis.”³¹

As such, in D.15-07-001, the Commission expressly found that “a SUE Surcharge should not be part of default TOU rates, but may be included in some optional TOU rates.”³² The Commission should reject CforAT’s request to revisit this issue for the reasons set forth above.

C. Reply to PG&E and SCE

In its response, PG&E explains that it “shares the other IOUs’ concerns regarding high bills and bill volatility that can result from the HUC.”³³ PG&E also states that “[a]t this time, PG&E is not formally taking a position on this issue” but “requests that, if the CPUC makes any changes to its approach to the HUC, such changes be applied consistently across all three investor-owned utilities’ residential electric tiered rates.”³⁴ SCE, in its response, states that its customers, like SDG&E’s customers, “have been and will continue to be financially harmed by the application of the HUC” and, as such, the Commission should allow SCE to “(1) immediately reduce the HUC to a more gradual level of 1.5 times the Tier 1 rate, and (2) eliminate the HUC in mid-2021, at which point SCE’s Customer Service Re-Platform (CSRP) project will be complete and SCE will be able to operationally implement such a suspension.”³⁵

SDG&E appreciates that PG&E and SCE share SDG&E’s concerns regarding the adverse impacts of the High Usage Charge. However, as explained above, SDG&E respectfully requests that the Commission first act on SDG&E’s Petition to immediately suspend the High Usage Charge for SDG&E’s residential customers before addressing broader issues on a statewide

³¹ *Id.* at 140.

³² *Id.*

³³ *Pacific Gas and Electric Company’s (U 39 E) Response to San Diego Gas & Electric Company’s Petition for Modification of D.15-01-001 and D.17-07-006* (February 1, 2019) (“PG&E Response”) at 2.

³⁴ *Id.*

³⁵ SCE Response at 1-2.

basis. Without prompt Commission action on SDG&E's November 30, 2018 Petition, SDG&E's residential customers will not receive the relief they need in time for another very hot summer.

While general statewide consistency is a desirable goal for most residential rate reform issues, the Commission previously has adopted different approaches for the IOUs based on their factual differences. For example, in D.15-07-001, the Commission adopted different glidepath tier differentials for each of the IOUs and different schedules for tier collapse³⁶ and the glidepath timing has differed for each IOU including timing of implementation for the High Usage Charge for each IOU. In addition, the Commission has adopted different timing for the implementation of each IOU's default TOU as set forth in D.18-05-011 and D.18-12-004.³⁷ Most notably, SDG&E continues to be challenged to reach the Glidepath guidance for its tier differentials, which has a compounding effect for SDG&E's HUC customers.³⁸

In summary, we urge the Commission to first act promptly on SDG&E's request to suspend the High Usage Charge for SDG&E's customers this summer, then address broader issues of a statewide nature immediately thereafter.

D. Response to ALJ Doherty's February 4, 2019 Questions

SDG&E's responses to ALJ Doherty's February 4, 2019 questions are set forth in Appendix B.

³⁶ D.15-07-001 at 278 (PG&E), 286 (SCE) and 293 (SDG&E).

³⁷ *See, e.g.*, D.18-05-001 at Ordering Paragraphs 1, 2 and 3.

³⁸ As stated in SDG&E's Petition (at 11), "[t]he glidepath guidance in D.15-07-001 initially contemplated a Tier 1 to High Usage Charge differential of 1:1.637, or a High Usage Charge 63.7% higher than the Tier 1 rate. Today, SDG&E's Tier 2 rates alone - currently 75% higher than Tier 1 rates - already exceed that differential."

III. CONCLUSION

In conclusion, for the reasons set forth above, SDG&E respectfully requests that the Commission grant this Petition by no later than its April 25, 2019 meeting.

Respectfully submitted,

/s/ Steven C. Nelson

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Attorney for

SAN DIEGO GAS & ELECTRIC COMPANY

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Appendix A

Declaration of Cynthia Fang

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**DECLARATION OF CYNTHIA FANG ON BEHALF OF SAN DIEGO GAS &
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SDG&E’S NOVEMBER 30, 2018 PETITION FOR MODIFICATION OF
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I, CYNTHIA FANG, declare that:

1. I am currently employed by San Diego Gas & Electric Company (“SDG&E”) as the Manager of Energy Research & Analysis in SDG&E’s Customer Care Department. My current responsibilities include the oversight of electric forecasting, load analysis, and research.
2. I have reviewed the Reply of San Diego Gas & Electric Company (U 902-E) to Responses to SDG&E’s November 30, 2018 Petition for Modification (“Petition”) of Decision (“D.”) 15-07-001 and D.17-07-006.
3. I am sponsoring SDG&E’s responses to the four questions Administrative Law Judge (“ALJ”) Doherty posed in his February 4, 2019 email ruling. SDG&E’s responses to these questions are set forth in Appendix B of SDG&E’s Reply.
4. In addition, it is my opinion that the Public Advocates Office (“Cal PA”), The Utility Reform Network (“TURN”) and other parties fail to appreciate the impact to individual HUC customers. The analysis SDG&E provided in the Petition was based on the population of SDG&E’s residential customers subject to various exclusions, rather than a sample (as Cal PA

suggests).¹ When looking at the population, the true impact of the High Usage Charge to individual customers can get lost in the “averaging” that occurs when attempting to summarize such a large data set. In the tables below, SDG&E provides more specific customer examples to better illustrate the bill volatility that results from the High Usage Charge.

The tables below present the actual bill information for 13 customers. These 13 customers are CARE customers in SDG&E’s hot zone, (*i.e.*, customers in SDG&E’s mountain or desert climate zones) that have a HUC bill in one of twelve months. These 13 customers have HUC usage that exceeds 500% of baseline in that one-month HUC bill. The tables below provide a comparison of a Non-HUC summer bill (June) and a HUC summer bill (July or August). Of these 13 customers, the change in usage between their June and their HUC bill ranged from 29% to over 500%. This resulted in increased monthly bills ranging from 50% (for a 29% change in usage) to 1060% (or an increase in bill of \$715 for a change in usage of 534%). For these 13 CARE customers, the bill volatility experienced this past summer and presented in the tables below will not be fixed with the elimination of seasonal differences or with increasing the HUC threshold from 400% of baseline to 500% of baseline. Reform of the High Usage Charge remains a critical ingredient in the reduction of residential rate volatility.

¹ Cal PA Response at 2.

Summer Bills of 13 CARE Hot Zone Customers Impacted by HUC

	Summer Non-HUC Bill - June		Summer HUC Bill - July/August		Change in Usage		Change in Bill	
	(kWh)	(\$)	(kWh)	(\$)	(kWh)	(%)	(\$)	(%)
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Customer 2	2,272	\$ 565	2,942	\$ 846	670	29%	\$ 281	50%
Customer 3	905	\$ 179	2,446	\$ 705	1,541	170%	\$ 526	293%
Customer 4	813	\$ 130	3,072	\$ 876	2,259	278%	\$ 746	576%
Customer 5	1,175	\$ 232	3,030	\$ 861	1,855	158%	\$ 629	271%
Customer 6	430	\$ 68	2,725	\$ 783	2,295	534%	\$ 715	1060%
Customer 7	729	\$ 112	2,639	\$ 734	1,910	262%	\$ 622	555%
Customer 8	858	\$ 180	2,364	\$ 681	1,506	176%	\$ 501	279%
Customer 9	481	\$ 76	2,425	\$ 678	1,944	404%	\$ 602	797%
Customer 10	1,624	\$ 307	2,402	\$ 663	778	48%	\$ 356	116%
Customer 11	817	\$ 152	2,163	\$ 606	1,346	165%	\$ 454	298%
Customer 12	581	\$ 95	2,088	\$ 585	1,507	259%	\$ 490	518%
Customer 13	667	\$ 121	2,117	\$ 584	1,450	217%	\$ 464	384%

	Usage on Summer Non-HUC Bill -		Usage on Summer HUC Bill -	
	(kWh)	(% of BL)	(kWh)	(% of BL)
Customer 1	2,194	334%	3,214	649%
Customer 2	2,272	388%	2,942	594%
Customer 3	905	231%	2,446	600%
Customer 4	813	133%	3,072	572%
Customer 5	1,175	192%	3,030	564%
Customer 6	430	100%	2,725	591%
Customer 7	729	111%	2,639	515%
Customer 8	858	213%	2,364	600%
Customer 9	481	110%	2,425	526%
Customer 10	1,624	207%	2,402	501%
Customer 11	817	211%	2,163	530%
Customer 12	581	137%	2,088	530%
Customer 13	667	168%	2,117	502%

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, except as to those matters stated to be on information and belief, and as to those matters I believe them to be true and correct.

Executed this 11th day of February 2019, at San Diego, California.

/s/ Cynthia Fang

Cynthia Fang

Appendix B

SDG&E Response to ALJ Doherty's February 4, 2019 Questions

SDG&E's Responses to ALJ Doherty's February 4, 2019 Questions

In a February 4, 2019 email ruling, ALJ Doherty directed SDG&E to provide responses to four questions regarding SDG&E's petition for modification ("Petition" or "PFM") of D. 15-07-001 and D.17-07-006 and to serve the responses as part of its Reply due no later than February 11, 2019. SDG&E's responses are set forth below.

- 1) For the table describing high usage charge (HUC) customers appearing on page 14 of the PFM (also appearing as table 3 in Appendix C), a fourth column shall be added that indicates the number of customers in each of the categories described in the table that will be excluded from SDG&E's implementation of default time-of-use (TOU) rates for its residential customers in 2019. For example, of the 82,300 customers identified as "Non-CARE" in the second row of the table, SDG&E shall identify the number of those 82,300 that will be excluded from the default TOU transition.

SDG&E Response:

The table describing HUC customers appearing on page 14 of the Petition (also appearing as Table 3 in Appendix C) is updated below, as requested. For the residential customers exempt from TOU default, the percentage of Non-CARE customers decreases from 91% to 83% and the percentage of CARE customers doubles, increasing from 8% to 16%.

All Residential Customers Original Petition*			Residential Customers Excluded from TOU Default**	
HUC Customers				
<i>Total</i>	90,129		23,188	
<i>Non-CARE</i>	82,300	91%	19,227	83%
<i>CARE</i>	7,279	8%	3,763	16%
<i>FERA</i>	550	1%	198	1%
HUC Customers by Climate Zone				
<i>Coastal</i>	52,342	53%	12,376	53%
<i>Inland</i>	36,844	44%	10,301	44%
<i>Mountain</i>	792	2%	363	2%
<i>Desert</i>	151	1%	148	1%
HUC Customers by Service Type				
<i>Basic</i>	79,345	84%	19,403	84%
<i>All-Electric</i>	10,784	16%	3,785	16%

* Bill impact analysis is based on historic 12-month usage (September 2017 – August 2018) of 937,257 residential tiered rate customers. This excludes the following customers: master-metered, DA/CCA, medical baseline, NEM, and virtual NEM.

** Residential customers excluded from the default TOU transition who were part of the bill impact analysis in the November 30, 2018 Petition.

- 2) SDG&E shall state whether or not the rate and bill impacts described in section IV-D on page 18 of its PFM (and paragraph 9 of Appendix C) change if customers that will be defaulted to TOU rates in 2019 are excluded from the analysis used to generate the rate and bill impacts. If the results do change based on that exclusion, SDG&E shall update the information appearing in section IV-D on page 18 of its PFM and paragraph 9 of Appendix C of its PFM to reflect that exclusion and include that updated information in its reply.

SDG&E Response:

Yes, bill impacts described in section IV-D on page 18 of SDG&E’s Petition (and paragraph 9 of Appendix C) change if customers that will be defaulted to TOU rates in 2019 are excluded from the analysis used to generate bill impacts. The rates are unchanged if customers that will be defaulted to TOU rates in 2019 are excluded from the analysis.

Paragraph 9 of Appendix C is updated below to exclude customers that will be defaulted to TOU rates in 2019:

9. SDG&E’s proposal to eliminate the High Usage Charge will have limited impacts, less than 1%, to Tier 1 and Tier 2 rates as well as limited bill impacts to customers with Tier 1 and Tier 2 usage only, which will include bills for Non-HUC customers, customers without HUC usage (*i.e.*, with HUC usage defined as usage above 400% of baseline) over the twelve-month period of September 2017 through August 2018, and HUC customers, customers with HUC usage (*i.e.*, usage above 400% of baseline) over the twelve-month period of September 2017 through August 2018. This includes residential customers excluded from default TOU rates in 2019. Table 6 below presents the rate impacts associated with SDG&E’s proposal to eliminate the High Usage Charge.

Table 6: Current Tiered Rates¹ With and Without HUC

	Current	Without HUC	Change	% Change
<i>Summer</i>				
Tier 1	26.9	27.1	0.2	0.81%
Tier 2	47.1	47.5	0.4	0.80%
HUC	54.9	47.5	(7.4)	-13.48%
<i>Winter</i>				
Tier 1	22.8	23.0	0.2	0.95%
Tier 2	40.0	40.4	0.4	0.95%
HUC	46.6	40.4	(6.2)	-13.36%

The elimination of the High Usage Charge would result in average annual bill impacts of:

- A reduction of 0.8% for Non-CARE customers
- An increase of 0.7% for CARE customers
- An increase of 0.5% for FERA customers

For residential customers excluded from default TOU rates in 2019, the elimination of the

High Usage Charge would result in average annual bill impacts of:

- An increase of 0.1% for Non-CARE customers, rather than a reduction of 0.8% for the larger Non-CARE population
- An increase of 0.7% for CARE customers

¹ Reflects rates effective November 1, 2018. See AL 3290-E, approved November 15, 2018 and effective November 1, 2018.

- An increase of 0.5% for FERA customers

When looking at customers with no HUC usage, the elimination of the High Usage Charge would result in an increase in the average annual bill of less than 1% for Non-CARE, CARE and FERA non-HUC customers.

When looking at customers with HUC usage, the elimination of the High Usage Charge would result in average annual bill impacts of:

- A reduction of 3.7% for Non-CARE customers
- A reduction of 0.5% for CARE customers
- A reduction of 0.7% for FERA customers

For residential customers excluded from default TOU rates in 2019, when looking at customers with HUC usage, the elimination of the High Usage Charge would result in average annual bill impacts of:

- A reduction of 1.9% for Non-CARE customers, a smaller decrease than the 3.7% reduction for the larger Non-CARE population
- A reduction of 0.6% for CARE customers, a slightly larger decrease than the 0.5% reduction for the larger CARE population
- A reduction of 0.5% for FERA customers, a smaller decrease than the 0.7% decrease for the larger FERA population

Summaries of annual bill impacts are provided below in Tables 7, 8, and 9. Summaries of annual bill impacts for residential customers that will be excluded from default TOU are provided below in Tables 7A, 8A, and 9A.

Table 7: Summary of Annual Bill Impacts from the Elimination of HUC – All Customers

All Customers							
		# Customers	Average Usage	Average Bill - Current	Average Bill - No HUC	Change (\$)	% Change
Non-CARE							
Coastal	<i>Basic</i>	343,481	434	\$ 140.98	\$ 139.18	\$ (1.80)	-1.3%
	<i>All-Electric</i>	92,093	311	\$ 88.21	\$ 88.45	\$ 0.24	0.3%
Inland	<i>Basic</i>	204,183	489	\$ 156.96	\$ 156.01	\$ (0.95)	-0.6%
	<i>All-Electric</i>	56,965	417	\$ 122.10	\$ 122.45	\$ 0.35	0.3%
Mountain	<i>Basic</i>	4,818	550	\$ 177.40	\$ 175.52	\$ (1.88)	-1.1%
	<i>All-Electric</i>	3,269	625	\$ 179.14	\$ 179.71	\$ 0.57	0.3%
Desert	<i>Basic</i>	721	439	\$ 140.73	\$ 139.60	\$ (1.13)	-0.8%
	<i>All-Electric</i>	996	469	\$ 134.31	\$ 135.03	\$ 0.72	0.5%
Non-CARE		706,526	434	\$ 137.61	\$ 136.51	\$ (1.10)	-0.8%
CARE							
Coastal	<i>Basic</i>	81,301	315	\$ 55.57	\$ 55.98	\$ 0.41	0.7%
	<i>All-Electric</i>	32,628	295	\$ 49.56	\$ 49.98	\$ 0.42	0.8%
Inland	<i>Basic</i>	68,836	389	\$ 71.13	\$ 71.62	\$ 0.49	0.7%
	<i>All-Electric</i>	39,830	368	\$ 63.38	\$ 63.87	\$ 0.49	0.8%
Mountain	<i>Basic</i>	954	542	\$ 101.52	\$ 102.23	\$ 0.71	0.7%
	<i>All-Electric</i>	741	720	\$ 125.45	\$ 126.09	\$ 0.64	0.5%
Desert	<i>Basic</i>	215	497	\$ 94.94	\$ 95.57	\$ 0.63	0.7%
	<i>All-Electric</i>	219	671	\$ 121.94	\$ 122.83	\$ 0.89	0.7%
CARE		224,724	347	\$ 61.37	\$ 61.83	\$ 0.46	0.7%
FERA							
Coastal	<i>Basic</i>	2,142	400	\$ 105.93	\$ 106.42	\$ 0.49	0.5%
	<i>All-Electric</i>	770	346	\$ 85.34	\$ 85.99	\$ 0.65	0.8%
Inland	<i>Basic</i>	2,161	488	\$ 133.16	\$ 133.83	\$ 0.67	0.5%
	<i>All-Electric</i>	866	443	\$ 113.66	\$ 114.26	\$ 0.60	0.5%
Mountain	<i>Basic</i>	43	721	\$ 200.23	\$ 201.66	\$ 1.43	0.7%
	<i>All-Electric</i>	23	849	\$ 217.18	\$ 217.68	\$ 0.50	0.2%
Desert	<i>Basic</i>	2	858	\$ 250.84	\$ 252.27	\$ 1.43	0.6%
	<i>All-Electric</i>	-	N/A	N/A	N/A	-	-
FERA		6,007	435	\$ 115.35	\$ 115.95	\$ 0.60	0.5%

**Table 7A: Summary of Annual Bill Impacts from the Elimination of HUC – All Customers
Excluded from Default TOU**

All Customers (customers that will be defaulted to TOU rates in 2019 are excluded)							
		# Customers	Average Usage	Average Bill - Current	Average Bill - No HUC	Change (\$)	% Change
Non-CARE							
Coastal	<i>Basic</i>	81,901	366	\$ 113.26	\$ 112.98	\$ (0.28)	-0.2%
	<i>All-Electric</i>	37,141	288	\$ 79.98	\$ 80.44	\$ 0.46	0.6%
Inland	<i>Basic</i>	47,175	453	\$ 142.02	\$ 142.17	\$ 0.15	0.1%
	<i>All-Electric</i>	22,986	367	\$ 104.14	\$ 104.65	\$ 0.51	0.5%
Mountain	<i>Basic</i>	2,243	496	\$ 155.53	\$ 154.89	\$ (0.64)	-0.4%
	<i>All-Electric</i>	1,410	573	\$ 163.39	\$ 163.89	\$ 0.50	0.3%
Desert	<i>Basic</i>	673	440	\$ 139.24	\$ 138.74	\$ (0.50)	-0.4%
	<i>All-Electric</i>	952	478	\$ 136.77	\$ 137.48	\$ 0.71	0.5%
Non-CARE		194,481	376	\$ 113.86	\$ 113.92	\$ 0.06	0.1%
CARE							
Coastal	<i>Basic</i>	37,979	313	\$ 55.34	\$ 55.74	\$ 0.40	0.7%
	<i>All-Electric</i>	15,337	294	\$ 49.70	\$ 50.10	\$ 0.40	0.8%
Inland	<i>Basic</i>	32,732	384	\$ 70.54	\$ 71.01	\$ 0.47	0.7%
	<i>All-Electric</i>	19,040	363	\$ 62.65	\$ 63.14	\$ 0.49	0.8%
Mountain	<i>Basic</i>	941	543	\$ 101.77	\$ 102.49	\$ 0.72	0.7%
	<i>All-Electric</i>	730	720	\$ 125.53	\$ 126.18	\$ 0.65	0.5%
Desert	<i>Basic</i>	213	498	\$ 94.93	\$ 95.56	\$ 0.63	0.7%
	<i>All-Electric</i>	219	671	\$ 121.94	\$ 122.83	\$ 0.89	0.7%
CARE		107,191	347	\$ 61.57	\$ 62.02	\$ 0.45	0.7%
FERA							
Coastal	<i>Basic</i>	619	378	\$99.14	\$99.72	\$0.58	0.6%
	<i>All-Electric</i>	297	341	\$85.16	\$85.78	\$0.62	0.7%
Inland	<i>Basic</i>	701	476	\$130.50	\$131.13	\$0.63	0.5%
	<i>All-Electric</i>	333	430	\$110.82	\$111.35	\$0.53	0.5%
Mountain	<i>Basic</i>	40	712	\$197.45	\$198.84	\$1.39	0.7%
	<i>All-Electric</i>	23	849	\$217.18	\$217.68	\$0.50	0.2%
Desert	<i>Basic</i>	2	858	\$250.84	\$252.27	\$1.43	0.6%
	<i>All-Electric</i>	-	N/A	N/A	N/A	-	0.0%
FERA		2,015	428	\$113.37	\$113.98	\$0.61	0.5%

Table 8: Summary of Annual Bill Impacts from the Elimination of HUC – Non-HUC Customers

No HUC Customers							
		# Customers	Average Usage	Average Bill - Current	Average Bill - No HUC	Change (\$)	% Change
Non-CARE							
Coastal	<i>Basic</i>	298,902	329	\$ 94.66	\$ 95.48	\$ 0.82	0.9%
	<i>All-Electric</i>	87,473	281	\$ 75.91	\$ 76.57	\$ 0.66	0.9%
Inland	<i>Basic</i>	176,294	394	\$ 115.39	\$ 116.39	\$ 1.00	0.9%
	<i>All-Electric</i>	52,578	359	\$ 98.89	\$ 99.75	\$ 0.86	0.9%
Mountain	<i>Basic</i>	4,280	425	\$ 123.56	\$ 124.62	\$ 1.06	0.9%
	<i>All-Electric</i>	3,103	562	\$ 153.56	\$ 154.89	\$ 1.33	0.9%
Desert	<i>Basic</i>	651	331	\$ 94.96	\$ 95.77	\$ 0.81	0.9%
	<i>All-Electric</i>	945	420	\$ 115.23	\$ 116.22	\$ 0.99	0.9%
Non-CARE		624,226	345	\$ 98.76	\$ 99.62	\$ 0.86	0.9%
CARE							
Coastal	<i>Basic</i>	78,925	302	\$ 52.14	\$ 52.60	\$ 0.46	0.9%
	<i>All-Electric</i>	32,076	289	\$ 48.06	\$ 48.48	\$ 0.42	0.9%
Inland	<i>Basic</i>	65,463	367	\$ 65.13	\$ 65.69	\$ 0.56	0.9%
	<i>All-Electric</i>	38,960	356	\$ 60.48	\$ 61.00	\$ 0.52	0.9%
Mountain	<i>Basic</i>	895	507	\$ 91.21	\$ 92.01	\$ 0.80	0.9%
	<i>All-Electric</i>	721	688	\$ 116.96	\$ 117.99	\$ 1.03	0.9%
Desert	<i>Basic</i>	200	469	\$ 87.52	\$ 88.27	\$ 0.75	0.9%
	<i>All-Electric</i>	205	634	\$ 112.59	\$ 113.56	\$ 0.97	0.9%
CARE		217,445	332	\$ 57.41	\$ 57.91	\$ 0.50	0.9%
FERA							
Coastal	<i>Basic</i>	1,970	362	\$ 91.69	\$ 92.49	\$ 0.80	0.9%
	<i>All-Electric</i>	727	325	\$ 78.19	\$ 78.87	\$ 0.68	0.9%
Inland	<i>Basic</i>	1,895	434	\$ 113.00	\$ 113.97	\$ 0.97	0.9%
	<i>All-Electric</i>	807	401	\$ 98.89	\$ 99.75	\$ 0.86	0.9%
Mountain	<i>Basic</i>	36	626	\$ 165.60	\$ 167.04	\$ 1.44	0.9%
	<i>All-Electric</i>	21	719	\$ 169.03	\$ 170.52	\$ 1.49	0.9%
Desert	<i>Basic</i>	1	788	\$ 223.00	\$ 224.90	\$ 1.90	0.9%
	<i>All-Electric</i>	-	N/A	N/A	N/A	-	-
FERA		5,457	391	\$ 99.17	\$ 100.03	\$ 0.86	0.9%

**Table 8A: Summary of Annual Bill Impacts from the Elimination of HUC – Non-HUC
Customers Excluded from Default TOU**

No HUC Customers (customers that will be defaulted to TOU rates in 2019 are excluded)							
		# Customers	Average Usage	Average Bill - Current	Average Bill - No HUC	Change (\$)	% Change
Non-CARE							
Coastal	<i>Basic</i>	72,669	298	\$ 84.29	\$ 85.03	\$ 0.74	0.9%
	<i>All-Electric</i>	35,546	269	\$ 72.38	\$ 73.01	\$ 0.63	0.9%
Inland	<i>Basic</i>	40,409	378	\$ 109.97	\$ 110.92	\$ 0.95	0.9%
	<i>All-Electric</i>	21,748	331	\$ 89.88	\$ 90.66	\$ 0.78	0.9%
Mountain	<i>Basic</i>	2,028	400	\$ 115.48	\$ 116.47	\$ 0.99	0.9%
	<i>All-Electric</i>	1,348	513	\$ 139.74	\$ 140.96	\$ 1.22	0.9%
Desert	<i>Basic</i>	605	340	\$ 97.53	\$ 98.37	\$ 0.84	0.9%
	<i>All-Electric</i>	901	426	\$ 116.89	\$ 117.90	\$ 1.01	0.9%
Non-CARE		175,254	318	\$ 89.49	\$ 90.27	\$ 0.78	0.9%
CARE							
Coastal	<i>Basic</i>	36,819	299	\$ 51.68	\$ 52.13	\$ 0.45	0.9%
	<i>All-Electric</i>	15,020	287	\$ 47.90	\$ 48.32	\$ 0.42	0.9%
Inland	<i>Basic</i>	30,993	360	\$ 63.90	\$ 64.46	\$ 0.56	0.9%
	<i>All-Electric</i>	18,598	351	\$ 59.66	\$ 60.18	\$ 0.52	0.9%
Mountain	<i>Basic</i>	883	508	\$ 91.51	\$ 92.31	\$ 0.80	0.9%
	<i>All-Electric</i>	711	690	\$ 117.34	\$ 118.37	\$ 1.03	0.9%
Desert	<i>Basic</i>	199	470	\$ 87.69	\$ 88.44	\$ 0.75	0.9%
	<i>All-Electric</i>	205	634	\$ 112.59	\$ 113.56	\$ 0.97	0.9%
CARE		103,428	330	\$ 57.21	\$ 57.71	\$ 0.50	0.9%
FERA							
Coastal	<i>Basic</i>	567	342	\$ 85.92	\$ 86.66	\$ 0.74	0.9%
	<i>All-Electric</i>	277	314	\$ 76.15	\$ 76.81	\$ 0.66	0.9%
Inland	<i>Basic</i>	610	418	\$ 108.78	\$ 109.71	\$ 0.93	0.9%
	<i>All-Electric</i>	308	382	\$ 94.27	\$ 95.08	\$ 0.81	0.9%
Mountain	<i>Basic</i>	33	607	\$ 159.08	\$ 160.47	\$ 1.39	0.9%
	<i>All-Electric</i>	21	719	\$ 169.03	\$ 170.52	\$ 1.49	0.9%
Desert	<i>Basic</i>	1	788	\$ 223.00	\$ 224.90	\$ 1.90	0.9%
	<i>All-Electric</i>	-	N/A	N/A	N/A	-	-
FERA		1,817	380	\$ 95.88	\$ 96.71	\$ 0.83	0.9%

Table 9: Summary of Annual Bill Impacts from the Elimination of HUC – HUC Customers

HUC Customers							
		# Customers	Average Usage	Average Bill - Current	Average Bill - No HUC	Change (\$)	% Change
Non-CARE							
Coastal	<i>Basic</i>	44,579	1,132	\$ 451.57	\$ 432.16	\$ (19.41)	-4.3%
	<i>All-Electric</i>	4,620	877	\$ 321.01	\$ 313.26	\$ (7.75)	-2.4%
Inland	<i>Basic</i>	27,889	1,085	\$ 419.75	\$ 406.45	\$ (13.30)	-3.2%
	<i>All-Electric</i>	4,387	1,113	\$ 400.31	\$ 394.50	\$ (5.81)	-1.5%
Mountain	<i>Basic</i>	538	1,537	\$ 605.78	\$ 580.47	\$ (25.31)	-4.2%
	<i>All-Electric</i>	166	1,815	\$ 657.32	\$ 643.60	\$ (13.72)	-2.1%
Desert	<i>Basic</i>	70	1,444	\$ 566.35	\$ 547.20	\$ (19.15)	-3.4%
	<i>All-Electric</i>	51	1,386	\$ 487.95	\$ 483.42	\$ (4.53)	-0.9%
Non-CARE		82,300	1,105	\$ 432.27	\$ 416.29	\$ (15.98)	-3.7%
CARE							
Coastal	<i>Basic</i>	2,376	747	\$ 169.39	\$ 168.38	\$ (1.01)	-0.6%
	<i>All-Electric</i>	552	654	\$ 137.30	\$ 137.17	\$ (0.13)	-0.1%
Inland	<i>Basic</i>	3,373	824	\$ 187.63	\$ 186.59	\$ (1.04)	-0.6%
	<i>All-Electric</i>	870	889	\$ 193.34	\$ 192.36	\$ (0.98)	-0.5%
Mountain	<i>Basic</i>	59	1,082	\$ 257.88	\$ 257.29	\$ (0.59)	-0.2%
	<i>All-Electric</i>	20	1,868	\$ 431.37	\$ 418.09	\$ (13.28)	-3.1%
Desert	<i>Basic</i>	15	873	\$ 193.86	\$ 192.78	\$ (1.08)	-0.6%
	<i>All-Electric</i>	14	1,205	\$ 258.82	\$ 258.50	\$ (0.32)	-0.1%
CARE		7,279	799	\$ 179.93	\$ 178.95	\$ (0.98)	-0.6%
FERA							
Coastal	<i>Basic</i>	172	832	\$ 268.98	\$ 265.93	\$ (3.05)	-1.1%
	<i>All-Electric</i>	43	698	\$ 206.22	\$ 206.39	\$ 0.17	0.1%
Inland	<i>Basic</i>	266	867	\$ 276.77	\$ 275.26	\$ (1.51)	-0.6%
	<i>All-Electric</i>	59	1,021	\$ 315.60	\$ 312.72	\$ (2.88)	-0.9%
Mountain	<i>Basic</i>	7	1,208	\$ 378.35	\$ 379.72	\$ 1.37	0.4%
	<i>All-Electric</i>	2	2,210	\$ 722.74	\$ 712.91	\$ (9.83)	-1.4%
Desert	<i>Basic</i>	1	928	\$ 278.68	\$ 279.64	\$ 0.96	0.4%
	<i>All-Electric</i>	-	N/A	N/A	N/A	-	-
FERA		550	869	\$ 275.90	\$ 273.91	\$ (1.99)	-0.7%

**Table 9A: Summary of Annual Bill Impacts from the Elimination of HUC – HUC
Customers Excluded from Default TOU**

HUC Customers (customers that will be defaulted to TOU rates in 2019 are excluded)							
		# Customers	Average Usage	Average Bill - Current	Average Bill - No HUC	Change (\$)	% Change
Non-CARE							
Coastal	<i>Basic</i>	9,232	901	\$ 341.23	\$ 333.06	\$ (8.17)	-2.4%
	<i>All-Electric</i>	1,595	712	\$ 249.30	\$ 246.14	\$ (3.16)	-1.3%
Inland	<i>Basic</i>	6,766	905	\$ 333.45	\$ 328.78	\$ (4.67)	-1.4%
	<i>All-Electric</i>	1,238	1,005	\$ 354.70	\$ 350.55	\$ (4.15)	-1.2%
Mountain	<i>Basic</i>	215	1,394	\$ 533.29	\$ 517.22	\$ (16.07)	-3.0%
	<i>All-Electric</i>	62	1,859	\$ 677.63	\$ 662.36	\$ (15.27)	-2.3%
Desert	<i>Basic</i>	68	1,329	\$ 510.32	\$ 497.84	\$ (12.48)	-2.4%
	<i>All-Electric</i>	51	1,386	\$ 487.95	\$ 483.42	\$ (4.53)	-0.9%
Non-CARE		19,227	905	\$ 335.95	\$ 329.57	\$ (6.38)	-1.9%
CARE							
Coastal	<i>Basic</i>	1,160	751	\$ 171.45	\$ 170.30	\$ (1.15)	-0.7%
	<i>All-Electric</i>	317	641	\$ 134.79	\$ 134.41	\$ (0.38)	-0.3%
Inland	<i>Basic</i>	1,739	823	\$ 188.83	\$ 187.74	\$ (1.09)	-0.6%
	<i>All-Electric</i>	442	864	\$ 188.31	\$ 187.68	\$ (0.63)	-0.3%
Mountain	<i>Basic</i>	58	1,081	\$ 257.94	\$ 257.39	\$ (0.55)	-0.2%
	<i>All-Electric</i>	19	1,866	\$ 432.31	\$ 418.29	\$ (14.02)	-3.2%
Desert	<i>Basic</i>	14	891	\$ 197.78	\$ 196.70	\$ (1.08)	-0.5%
	<i>All-Electric</i>	14	1,205	\$ 258.82	\$ 258.50	\$ (0.32)	-0.1%
CARE		3,763	801	\$ 181.45	\$ 180.40	\$ (1.05)	-0.6%
FERA							
Coastal	<i>Basic</i>	52	769	\$ 243.29	\$ 242.13	\$ (1.16)	-0.5%
	<i>All-Electric</i>	20	709	\$ 209.94	\$ 209.96	\$ 0.02	0.0%
Inland	<i>Basic</i>	91	863	\$ 276.16	\$ 274.66	\$ (1.50)	-0.5%
	<i>All-Electric</i>	25	1,019	\$ 314.70	\$ 311.80	\$ (2.90)	-0.9%
Mountain	<i>Basic</i>	7	1,208	\$ 378.35	\$ 379.72	\$ 1.37	0.4%
	<i>All-Electric</i>	2	2,210	\$ 722.74	\$ 712.91	\$ (9.83)	-1.4%
Desert	<i>Basic</i>	1	928	\$ 278.68	\$ 279.64	\$ 0.96	0.3%
	<i>All-Electric</i>	-	N/A	N/A	N/A	-	-
FERA		198	868	\$ 273.84	\$ 272.44	\$ (1.40)	-0.5%

- 3) SDG&E shall confirm whether or not the usage of its residential net energy metering (NEM) customers was used in the calculation of SDG&E's baseline quantities.

SDG&E Response:

The usage of NEM customers was included in the baseline study that was the basis for SDG&E's current baseline quantities.

- 4) SDG&E shall update table 6 on page 9 of its PFM to reflect the tiered rates currently available, and illustrative rates expected to be in effect on March 1, 2019.

SDG&E Response:

The Table 6A below updates Table 6 on page 9 of paragraph 9 of the declaration of Cynthia Fang with SDG&E’s currently rates, effective January 1, 2019²:

**Table 6A: Current Tiered Rates With and Without HUC
– Updated to Reflect Current January 1, 2019 Effective Rates**

	Current 1/1/2019* (¢/kWh)	1/1/2019 - No HUC (¢/kWh)	Change	% Change
Summer				
Tier 1	26.5	26.7	0.2	0.89%
Tier 2	46.4	46.8	0.4	0.89%
HUC	54.0	46.8	(7.2)	-13.41%
Winter				
Tier 1	22.4	22.6	0.2	1.05%
Tier 2	39.2	39.6	0.4	1.05%
HUC	45.7	39.6	(6.1)	-13.27%

The Table 6B below updates Table 6 on page 9 of paragraph 9 of the declaration of Cynthia Fang with illustrative rates expected to be in effect on March 1, 2019³:

² AL 3326-E.

³ Pursuant to Ordering Paragraph 2 of D.18-12-004, “San Diego Gas & Electric Company shall use the 2017 seasonal differential between winter and summer residential rates in designing its 3-period tiered default residential time-of-use (TOU) rate, 2-period tiered optional residential TOU rate, and optional non-TOU tiered residential rate.”

Table 6B: Tiered Rates With and Without HUC
 – Updated to Reflect Illustrative Rates Anticipated for March 1, 2019

	Illustrative 3/1/2019	Illustrative Without HUC 3/1/2019	Change	% Change
<i>Summer</i>				
Tier 1	25.3	25.5	0.2	0.92%
Tier 2	44.3	44.7	0.4	0.92%
HUC	51.6	44.7	(6.9)	-13.38%
<i>Winter</i>				
Tier 1	23.4	23.6	0.2	1.00%
Tier 2	41.0	41.4	0.4	1.00%
HUC	47.8	41.4	(6.4)	-13.32%