



Fact Sheet

PUBLIC PARTICIPATION HEARING

San Diego Gas and Electric Company (SDG&E) General Rate Case Phase 2

Application (A.)23-01-008

November 2023

What Is a General rate Case (GRC) Phase 2 Proceeding?

As directed by the California Public Utilities Commission, a General Rate Case (GRC) Phase 2 proceeding assesses investor-owned utility (IOU) proposals for allocating operating costs to customer classes (e.g. commercial, residential, agricultural and others) based on their respective cost responsibility. These operating costs (or revenue requirement) are determined in Phase 1 of the GRC. In addition, the GRC Phase 2 proceeding evaluates the IOU's marginal cost of service and specific rate design proposals. Ultimately, this proceeding will determine the rates SDG&E will charge over a four-year cycle, from 2024-2027.

What Is the Customer Bill Impact of SDG&E's Revenue Allocation Proposals?

Bundled electric customers receive generation, transmission, and distribution services from IOUs. In its GRC Phase 2 Application, SDG&E estimates the cumulative bill impacts associated with their proposed rate changes as follows:

- The average residential customer uses approximately 500 kilowatt-hours (kWh) per month and would experience **a cumulative decrease in their bill from \$241.87 per month to about \$228.34 per month, or a 5.59% decrease.**
- A customer using more electricity (750 kWh/month) would experience **a cumulative bill decrease from \$363.84 per month to \$343.31 per month, or a 5.64% decrease.**

What are SDG&E's Residential Rate Design Proposals?

In its application, SDG&E proposes limited changes to residential rate design, as follows:

- Changing the standard time of use (TOU) rate periods to extend weekday super-off-peak hours of 10 AM – 2 PM year-round (currently offered in March and April only).
- Maintaining its current TOU peak hours (4 PM – 9 PM) as well as the TOU peak, off peak and super off peak rate differentials (prices by time period).
- Using the System Average Percent Change (SAPC) revenue allocation methodology to develop rates for certain rate components.
- Maintaining revenue allocation methodologies for the Public Purpose Programs rate component except for Energy Efficiency, where the allocations are based on recent data.
- Reducing the Medical Baseline (MB) discount from 26.5% to 12% through a discount transition glidepath lowering the percentage by 3.42% each year until the next GRC.



- Updating the MB discount to a line-item discount for tiered and non-tiered rates.

What Changes Is SDG&E Proposing for Non-Residential Customers?

In its application, SDG&E proposes the following non-residential rate design changes:

- Splitting the current Medium and Large Commercial and Industrial (M/L C&I) customer class into two separate customer classes.
 - Medium C&I class: Customers with monthly demand between 20 kW to 200 kW.
 - Large C&I class: Customers with monthly demand above 200 kW.
- Maintaining its commodity rate design and the CPP adders.
- Increasing existing Monthly Service Fees (MSF) of all non-residential customers for the years 2024-2027. SDG&E is proposing an annual 15% per year increase in MSF, leading to 100% recovery of distribution customer costs in year 4.
- Increasing the ratio of non-coincident demand charges (NCDC) by 12.5% per year for rate schedules AL-TOU & A6-TOU (resulting in a 15% to 85% peak to off-peak ratio by year 4).

Illustrative Electric Rates of SDG&E's Proposal by Customer Class

- This table illustrates the impacts to SDG&E's electric rates based on their proposal:

Customer Class	Current Total Class Avg. Rates Effective 1/10/2023 (c/kWh)	Proposed Total Class Average Rates (c/kWh)	Total Rate Change (c/kWh)	Percentage Average Rate Change (%)
Residential	40.375	40.274	(0.101)	-0.3%
Small Commercial	40.224	40.161	(0.063)	-0.2%
Medium Commercial	N/A	39.049	N/A	N/A
Large Commercial & Industrial	37.553	37.123	(0.430)	-1.1%
Agriculture	28.614	28.999	0.385	1.3%
Lighting	34.644	34.560	(0.084)	-0.2%
System Total	38.471	38.470	(0.001)	0.0%

How Can I Have My Voice Heard?

- Speak at an upcoming CPUC virtual Public Participation Hearing. A list of dates, times, and calling access is at: www.cpuc.ca.gov/pph.
- Submit comments electronically to the Commission using the "Add Public Comment" button on the "Public Comment" tab of the Docket Card for A.23-01-008. You can also see other public comments related to this rate request: [A-23-01-008 Public Comments](#)
- Mail a letter to the CPUC's Public Advisor, and include the proceeding number, A.23-01-008, to: public.advisor@cpuc.ca.gov or CPUC, Public Advisor's Office, 505 Van Ness Ave., San Francisco, CA 94102.