

DOCKET

12-IEP-1D

DATE MAY 22 2012

RECD. MAY 23 2012

SDG&E Rate Overview

Tom Brill
Director, Strategic Analysis

Cost Categories

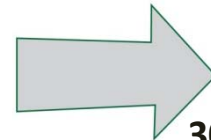
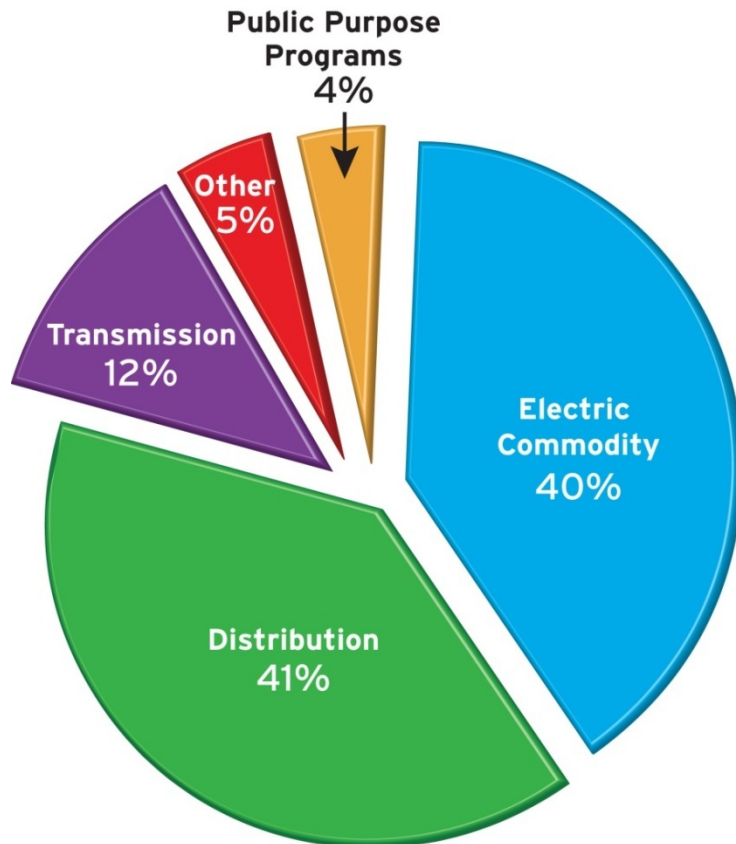
- SDG&E's rates recover costs incurred to provide four general categories of services:
 - **Customer Costs** – SDG&E incurs these costs on a fixed basis for each interconnected customer whether or not the customer uses electricity
 - **Distribution Demand Costs** – SDG&E incurs these on a fixed cost basis to the extent necessary to meet the combined non-coincident (maximum) demand of customers served off of a circuit
 - **System Capacity/Transmission Costs** – SDG&E incurs these on a fixed basis based upon the peak demand of the system
 - **Commodity Costs** – SDG&E incurs these on both a variable and fixed cost basis and the cost depends on the time of delivery
- With accurate price signals, these costs would be recovered from customers on the same basis as they are incurred

RESIDENTIAL RATES



- ☐ Residential customers standard rate schedule is Schedule DR, a seasonally differentiated 4-tiered energy rate. A customer's reference to a baseline usage determines what tier level rate they pay. A customer's baseline is dependent upon: climate zone, season, service type and number of days in the billing cycle.
- ☐ Residential customers mostly take electric service on non time-of-use (TOU) rate schedules (e.g., Schedule DR standard rate) with seasonal tiered rates.
 - Approximately 2,000 residential customers take service on an optional TOU rate schedule or approximately 0.2% of SDG&E's residential customers.
 - Approximately 20,000 MWh of energy provided annually on residential TOU rate schedules or approximately 0.3% of SDG&E's annual residential MWh.
- ☐ The following optional TOU rate schedules are available to residential customers:
 - Schedule DR-TOU: available to individually metered customers.
 - Schedule DR-SES: available to customers with a solar energy system.
 - Schedule EV-TOU: available to charge a customer's registered motor vehicle, as defined by the California Motor Vehicle Code, on a separate meter.
 - Schedule EV-TOU-2: available to serve a customer's entire house on one meter, including charging a registered motor vehicle.
 - In addition, optional TOU and dynamic pricing commodity rate option for these customers are pending before the CPUC.

SDG&E's Tiered Rate Structure



600 kWh	Tier 4 \$0.28
400 kWh	Tier 3 \$0.26
300 kWh	Tier 2 \$0.17
	Tier 1 \$0.14

Residential, non-CARE summer rates
at tiered rate structure

SMALL COMMERCIAL RATES



- Small commercial customers, defined as less than 20 kW demand, standard rate, Schedule A, is a seasonally differentiated flat energy rate with a monthly basic service fee.
- Small commercial customers mostly take electric service on a non-TOU rate schedule (e.g., Schedule A) with seasonal flat electric rates.
 - Approximately 1,100 small commercial customers take service on an optional TOU rate schedule or approximately 0.9% of SDG&E's small commercial customers.
 - Approximately 49,000 MWh of energy provided annually on small commercial TOU rate schedules or approximately 2.5% of SDG&E's annual small commercial MWh.
- The following optional TOU rate schedules are available to small commercial customers:
 - Schedule A-TOU (closed to new customers): small TOU rate schedule for customers with maximum demand < 40 kW.
 - Medium/Large options are also available to small commercial customers
 - In addition, optional TOU and dynamic pricing commodity rate option for these customers are pending before the CPUC.

MEDIUM/LARGE C&I RATES



- ☐ Medium/Large Commercial & Industrial (C&I) customers, defined as greater than 20 kW demand, mostly take electric service on a TOU rate schedule.
 - 23,000 medium/large C&I customers take service on a TOU rate schedule or approximately 99% of SDG&E's medium/large C&I customers.
 - 9,900,000 MWh of energy provided annually on medium/large C&I TOU rate schedules or approximately 99.5% of SDG&E's annual medium/large C&I MWh.

- ☐ Medium/Large C&I customers are currently served on the following rate schedules:
 - Schedule AL-TOU: standard rate schedule for C&I customers.
 - Schedule AY-TOU (closed to new customers): optional TOU rate schedule for C&I customers (< 500 kW).
 - Schedule A6-TOU: optional TOU rate schedule for large C&I customers (> 500 kW).
 - Schedule DGR: optional TOU rate schedule for C&I customers (≤ 2 MW) with operational distributed generation equal to or greater than 10% of their peak annual load.
 - Schedule PA-T-1: available to qualifying agricultural and water pumping customers (< 500 kW).
 - In addition, there are default and optional dynamic pricing commodity rates are available for these customers.