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October 29, 2010

**ADVICE LETTER 1984-G**  
(U 902-G)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: UPDATE OF PUBLIC PURPOSE PROGRAM GAS SURCHARGE RATES  
EFFECTIVE JANUARY 1, 2011**

San Diego Gas & Electric Company (SDG&E) hereby transmits for filing the following changes to its gas tariffs, as shown on Attachment A.

**PURPOSE**

The purpose of this Advice Letter is to submit updated Public Purpose Programs (PPP) gas surcharge rates to be effective January 1, 2011.

**BACKGROUND**

Pursuant to Ordering Paragraph (OP) 22 of D.04-08-010 in Rulemaking (R.) 02-10-001, SDG&E is updating its gas surcharge rates to fund PPP, as authorized by Assembly Bill (AB) 1002. AB 1002 directs the Commission to establish a gas surcharge annually to fund certain natural gas related public purpose programs such as low-income customer assistance, energy efficiency, and research and development (R&D). Revenues collected from the surcharge are remitted to the State Board of Equalization (BOE), and are ultimately appropriated back to utilities or other entities designated by the California Public Utilities Commission (Commission) to administer PPP.

On August 19, 2004, the Commission issued D.04-08-010 that addressed both the Phase 1 implementation issues on the gas surcharge rulemaking and Phase 2 administration of public purpose R&D. Pursuant to OP 10, SDG&E is using the surcharge formula adopted in the decision for calculating the gas PPP surcharge rates. SDG&E is using information provided by the Energy Division for calculating the gas surcharge rates as it relates to (1) the Commission and BOE administrative costs, (2) SDG&E's portion of the 2010 statewide R&D budget, and (3) reflects SDG&E's non-exempt interstate pipeline gas volumes as being zero. SDG&E will be using the billed gas volumes in calculating the gas surcharge rates for the customer classes adopted in Phase 2 of SDG&E's Biennial Cost Allocation Proceeding (BCAP) D.09-11-066, approved by the Commission on November 20, 2009.

2011 Gas PPP Assumptions

The low income components of the PPP surcharge rates reflect SDG&E's projections of the California Alternative Rates for Energy (CARE) balancing account as of December 31, 2010, CARE customer consumption, and CARE total administrative expenses of \$3.14 million, which are provided for in D.08-11-031. The allocation of the CARE administrative expenses to the gas department is \$.63 million. PPP surcharge rates also reflect the gas portion of SDG&E's Low Income Energy Efficiency (LIEE) budget in the amount of \$9.54 million, adopted in D.08-11-031. The proposed revenue requirement for low income programs includes the amortization of a \$0.74 million undercollection in the CARE Balancing Account.

The non-low income cost components reflect the Energy Efficiency (EE) budget of \$18.53 million adopted in D.09-09-047, which includes the Evaluation, Measurement and Verification revenue requirement and SDG&E's share of the 2011 R&D budget of \$1.25 million provided by the Energy Division.

In \$(000)	2011 Program Budgets	Administration Costs	Balancing Accounts	Total
LIEE	\$9,539.7			\$9,539.7
CARE	12,714.8	628.9	737.6	14,081.3
EE	18,533.3		2,143.7	20,677.0
R&D	1,250.9			1,250.9
BOE		34.4		34.4
CPUC	0	0	0	0
Total PPP Costs	\$42,038.7	\$663.3	\$2,881.3	\$45,583.3

Tariff Changes

The revised Schedule G-PPPS, as shown in Attachment A, updates the PPP rates for CARE and Non-CARE customers by major customer class, and reflect changes to the CARE, LIEE, R&D and EE component of the gas PPP surcharge revenue requirements as noted above. The available bill gas volumes in calculating the gas surcharge rates are shown below.

Billing Determinant Volumes, Mth

	<u>non-CARE</u>	<u>CARE</u>
Residential	325,000	266,876
Core C&I	150,131	150,131
NGV	15,217	15,217
Subtotal Core	490,348	432,224
Noncore C&I	36,820	36,820
<b>Total</b>	<b>527,168</b>	<b>469,045</b>

The impact of the updated PPP rates, by customer class, is shown on Attachment B. These rates are based on the revenue requirements shown in Attachment C that provides current and proposed revenue requirements. The 2011 PPP surcharge revenue requirement is higher by \$8.99 million compared to 2010 primarily due to the increased funding for the Energy Efficiency program and the amortization of the forecasted undercollection in the CARE Balancing Account.

**PROTEST**

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received no later than November 18, 2010, which is within 20 days of the date this Advice Letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of Honesto Gatchalian ([ini@cpuc.ca.gov](mailto:ini@cpuc.ca.gov)) and Maria Salinas ([mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)) of the Energy Division. It is also requested that a copy of the protest also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Megan Caulson  
Regulatory Tariff Manager  
8330 Century Park Court, CP 32  
San Diego, CA 92123-1550  
Facsimile No. (858) 654-1788  
E-mail: [mcaulson@semprautilities.com](mailto:mcaulson@semprautilities.com)

**EFFECTIVE DATE**

SDG&E believes this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. This filing is consistent with D.04-08-010 and therefore SDG&E respectfully requests that this filing be approved on November 28, 2010, which is 30 days after the date filed, for implementation and inclusion in rates effective January 1, 2011.

**NOTICE**

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties in R.08-07-011, A.08-07-023, and A.08-05-024, by providing them a copy hereof either electronically or via the U.S. mail, properly stamped and addressed. Workpapers supporting this filing have been provided to the Commission's Energy Division. Copies of the workpapers will be made available to other parties upon request by contacting SDG&E at the address in the protest section above.

Address changes should be directed to SDG&E Tariffs by facsimile at (858) 654-1788 or by e-mail at [SDG&ETariffs@semprautilities.com](mailto:SDG&ETariffs@semprautilities.com).

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CLAY FABER  
Director – Regulatory Affairs

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SAN DIEGO GAS & ELECTRIC (U 902)**

Utility type:

☐ ELC

☒ GAS

☐ PLC

☐ HEAT

☐ WATER

Contact Person: Christina Sondrini

Phone #: (858) 636-5736

E-mail: csondrini@semprautilities.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 1984-G

Subject of AL: Update of Public Purpose Program Gas Surcharge Rates Effective January 1, 2011

Keywords (choose from CPUC listing): Gas PPP, Compliance

AL filing type: ☐ Monthly ☐ Quarterly ☒ Annual ☐ One-Time ☐ Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.04-08-010

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL N/A

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: N/A

Does AL request confidential treatment? If so, provide explanation:

Resolution Required? ☐ Yes ☒ No

Tier Designation: ☐ 1 ☒ 2 ☐ 3

Requested effective date: 11/28/10

No. of tariff sheets: 3

Estimated system annual revenue effect (%): 21.3%

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Schedule G-PPPS and TOC

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

**CPUC, Energy Division**

**Attention: Tariff Unit**

**505 Van Ness Ave.,**

**San Francisco, CA 94102**

**mas@cpuc.ca.gov and jnj@cpuc.ca.gov**

**San Diego Gas & Electric**

**Attention: Megan Caulson**

**8330 Century Park Ct, Room 32C**

**San Diego, CA 92123**

**mcaulson@semprautilities.com**

<sup>1</sup> Discuss in AL if more space is needed.

General Order No. 96-B  
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

S. Cauchois  
R. Pocta  
W. Scott

Energy Division

P. Clanon  
S. Gallagher  
H. Gatchalian  
D. Lafrenz  
M. Salinas

CA. Energy Commission

F. DeLeon  
R. Tavares

Alcantar & Kahl LLP

K. Harteloo

American Energy Institute

C. King

APS Energy Services

J. Schenk

BP Energy Company

J. Zaiontz

Barkovich & Yap, Inc.

B. Barkovich

Bartle Wells Associates

R. Schmidt

Braun & Blaising, P.C.

S. Blaising

California Energy Markets

S. O'Donnell  
C. Sweet

California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

Children's Hospital & Health Center

T. Jacoby

City of Chula Vista

M. Meacham

City of Poway

R. Willcox

City of San Diego

J. Cervantes  
G. Lonergan  
M. Valerio

Commerce Energy Group

V. Gan

CP Kelco

A. Friedl

Davis Wright Tremaine, LLP

E. O'Neill  
J. Pau

Dept. of General Services

H. Nanjo  
M. Clark

Douglass & Liddell

D. Douglass  
D. Liddell  
G. Klatt

Duke Energy North America

M. Gillette

Dynegy, Inc.

J. Paul

Ellison Schneider & Harris LLP

E. Janssen

Energy Policy Initiatives Center (USD)

S. Anders

Energy Price Solutions

A. Scott

Energy Strategies, Inc.

K. Campbell

M. Scanlan

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg  
J. Heather Patrick  
J. Squeri

Goodrich Aerostructures Group

M. Harrington

Hanna and Morton LLP

N. Pedersen

Itsa-North America

L. Belew

J.B.S. Energy

J. Nahigian

Luce, Forward, Hamilton & Scripps LLP

J. Leslie

Manatt, Phelps & Phillips LLP

D. Huard

R. Keen

Matthew V. Brady & Associates

M. Brady

Modesto Irrigation District

C. Mayer

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

Pacific Gas & Electric Co.

J. Clark  
M. Huffman  
S. Lawrie  
E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

San Diego Regional Energy Office

S. Freedman  
J. Porter

School Project for Utility Rate Reduction

M. Rochman

Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

F. Chiang

Sutherland Asbill & Brennan LLP

K. McCrea

Southern California Edison Co.

M. Alexander

K. Cini

K. Gansecki

H. Romero

TransCanada

R. Hunter

D. White

TURN

M. Florio

M. Hawiger

UCAN

M. Shames

U.S. Dept. of the Navy

K. Davoodi

N. Furuta

L. DeLacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties

R.08-07-011

A.08-07-023

A.08-05-024

ATTACHMENT A  
ADVICE LETTER 1984-G

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 18484-G	SCHEDULE G-PPPS, PUBLIC PURPOSE PROGRAMS SURCHARGE, Sheet 1	Revised 17820-G
Revised 18485-G	TABLE OF CONTENTS, Sheet 1	Revised 18481-G
Revised 18486-G	TABLE OF CONTENTS, Sheet 4	Revised 18483-G



San Diego Gas & Electric Company  
San Diego, California

Revised Cal. P.U.C. Sheet No. 18484-G  
Canceling Revised Cal. P.U.C. Sheet No. 17820-G

## SCHEDULE G-PPPS

### PUBLIC PURPOSE PROGRAMS SURCHARGE

Sheet 1

#### APPLICABILITY

Applicable to all gas sales and transportation services rendered under all tariff-rate schedules authorized by the Commission. Customers will have a surcharge as a separate line item on their bills unless they are exempt 1/ (e.g. electric generation including cogeneration and consumption of natural gas which California is prohibited from taxing under the United States Constitution or the California Constitution, as referenced in Section 896 of the Public Utilities (PU) Code. See also the California Energy Resources Surcharge Regulation Sections 2315 and 2316 as identifying exempt customers).

#### TERRITORY

This schedule is applicable within the entire territory served by Utility.

#### RATES

<u>Customer Class</u>	PPP Surcharge 2/ (For all service, per meter, per month)	
	<u>CARE Customer 3/</u> (¢/therm)	<u>Non-CARE Customer</u> (¢/therm)
Core		
Residential	4.557 I	7.560 I
Commercial/Industrial	9.035 I	12.037 I
Natural Gas Vehicles	N/A	3.193 I
Noncore		
Commercial/Industrial	N/A	11.412 I

#### SPECIAL CONDITIONS

##### 1. General Description

The public purpose program (PPP) surcharge is shown on a customer's bill as a separate line item. The surcharge is authorized to recover the cost of public purpose programs such as low-income assistance, energy efficiency, and public interest research and development. The Utility remits surcharge payments quarterly to the State Board of Equalization (BOE) by the last day of the month following a calendar quarter. The BOE deposits the payments in the Gas Consumption Surcharge Fund (Fund) with the State Treasurer. Utility public purpose programs are financed through monies appropriated to the Utility from the Fund by the Commission.

1/ Commission Resolution G-3303, dated December 21, 2000, references Sections 896, 897, and 898 of Assembly Bill (AB) 1002 regarding consumers of natural gas who are exempt from the tax surcharge. Section 896 states "Consumption means the use or employment of natural gas. Consumption does not include the use or employment of natural gas to generate power for sale or use of gas for enhanced oil recovery, natural gas utilized in cogeneration technology projects to produce electricity, or natural gas that is produced in California and transported on a proprietary pipeline. Consumption does not include the consumption of natural gas which this state is prohibited from taxing under the United States Constitution or the California Constitution." Section 897 states "Nothing in this article impairs the rights and obligations of parties to contracts approved by the Commission, as the rights and obligations were interpreted as of January 1, 1998." Section 898 is in reference to a municipality, district, or public agency but also references Section 890. Subdivision (e) of Section 890 states in part "The Commission shall determine the total volume of retail natural gas transported within the service territory of a utility gas provider, that is not subject to exemption pursuant to Section 896, for the purpose of establishing the surcharge rate."

2/ AB 1002 of September 30, 2000 authorized the Commission to establish a gas PPP surcharge. Resolution G-3303 established PPP surcharge rates effective January 1, 2001. The surcharge rates were removed from utility energy rates and added as line items to applicable billings effective July 1, 2001.

3/ Low-income customers who qualify for California Alternate Rates for Energy (CARE) receive a 20% discount on rate and pay all of the PPP costs except CARE.

1P8

Advice Ltr. No. 1984-G

Decision No. \_\_\_\_\_

Issued by  
**Lee Schavrien**  
Senior Vice President  
Regulatory Affairs

Date Filed Oct 29, 2010

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_



San Diego Gas & Electric Company  
San Diego, California

Revised Cal. P.U.C. Sheet No. 18485-G  
Canceling Revised Cal. P.U.C. Sheet No. 18481-G

## TABLE OF CONTENTS

Sheet 1

The following sheets contain all the effective rates and rules affecting rates, service and information relating thereto, in effect on the date indicated herein.

	Cal. P.U.C. Sheet No.	
TITLE PAGE.....	12805-G	
TABLE OF CONTENTS.....	18464, 18430, 18460, 18465, 18461-G 16357, 18249, 16350, 17592-G	T
<b>PRELIMINARY STATEMENT</b>		
I. General Information.....	7270, 14986-G	
II. Statement of Rates.....	11981, 18431, 18462, 18019, 18020, 16688-G	T
III. Cost Allocation and Revenue Requirement.....	17873, 18021, 17875, 18022, 14249, 7281-G	
IV. <u>Balancing Accounts</u>	7489, 14250, 14251, 14252, 7493, 7494-G	
Description/Listing of Accounts.....	15671, 17834-G	
Curtailment Penalty Funds Account (CPFA).....	15680-G	
California Alternate Rates for Energy (CARE)		
Balancing Account.....	15681, 15682-G	
Gas Energy Efficiency Balancing Account (GEEBA)	15692, 15693-G	
Rewards & Penalties Balancing Account (RPBA)....	16270, 15695-G	
Pension Balancing Account (PBA).....	15698, 17754-G	
Post-Retirement Benefits Other Than Pensions		
Balancing Account (PBOPBA).....	15700, 17755-G	
Core Fixed Cost Account (CFCA).....	18103, 17878, 18104-G	
Noncore Fixed Cost Account (NFCA).....	18015, 17880, 18016-G	
Post-2005 Gas Energy Efficiency Balancing		
Account (PGEEBA).....	18442, 18443-G	
Post-2005 Gas Low Income Energy Efficiency		
Balancing Account (PGLIEEBA).....	15710, 15711-G	
Integrated Transmission Balancing Account (ITBA)	17881, 17882-G	
Advanced Metering Infrastructure Account (AMIBA)	16271, 17757, 16273-G	
Distribution Integrity Management Program		
Balancing Account (DIPMBA).....	17172-G	
On-Bill Financing Balancing Account (OBFBA).....	18444-G	
Hazardous Substance Cleanup Cost Acct (HSCCA)...	15741, 15742, 17651, 15744, 15745, 15746-G 15747, 15748, 15749, 15750, 15751-G	

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Advice Ltr. No. 1984-G

Decision No. \_\_\_\_\_

Issued by  
**Lee Schavrien**  
Senior Vice President  
Regulatory Affairs

Date Filed Oct 29, 2010

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_





San Diego Gas & Electric Company  
San Diego, California

Revised Cal. P.U.C. Sheet No. 18486-G  
Canceling Revised Cal. P.U.C. Sheet No. 18483-G

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Sheet 4

<u>Schedule Number</u>	<u>Other Services</u>	<u>Cal. P.U.C. Sheet No.</u>
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G-91	Service Establishment Charge.....	15124, 9930-G
GL-1	Service from Liquefied Natural Gas Facilities (Borrego Territory).....	12004, 3464-G
G-PUC	Surcharge to Fund PUC Reimbursement Fee.....	17916-G
G-MHPS	Surcharge to Fund PUC Master-Metered Mobilehome Park Gas Safety Inspection and Enforcement Program.....	11242-G
GP-SUR	Customer-procured Gas Franchise Fee Surcharge.....	18424, 6859-G
G-IMB	Transportation Imbalance Service.....	17917, 18463, 18411-G 18199, 17919, 17920-G
G-PPPS	Surcharge to Fund Public Purpose Programs.....	17820, 15006, 15007-G
G-CBS	Utility Distribution Company (UDC) Consolidated Billing Service.....	12257, 12258, 12259-G
LIST OF CONTRACTS AND DEVIATIONS.....		4092, 3812, 3813, 4562-G 4562, 5717, 8780, 11938-G

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(Continued)

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Advice Ltr. No. 1984-G

Decision No. \_\_\_\_\_

Issued by  
**Lee Schavrien**  
Senior Vice President  
Regulatory Affairs

Date Filed Oct 29, 2010

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

**ATTACHMENT B**  
**ADVICE LETTER 1984-G**  
**SUMMARY OF PPP SURCHARGE RATES**  
**SAN DIEGO GAS & ELECTRIC COMPANY**  
**ESTIMATED PPP Surcharge Update for 1/1/2011**

Customer Class	CARE Customers				Non-CARE Customers			
	2010	2011	\$/th Change	% Change	2010	2011	\$/th Change	% Change
( a )	\$/th ( b )	\$/th ( c )	\$/th ( d )	% ( e )	\$/th ( f )	\$/th ( g )	\$/th ( h )	% ( i )
<b><u>Core</u></b>								
1. Residential	\$0.03905	\$0.04557	\$0.00653	16.7%	\$0.06525	\$0.07560	\$0.01035	15.9%
2. Commercial/Industrial	\$0.05812	\$0.09035	\$0.03224	55.5%	\$0.08431	\$0.12037	\$0.03606	42.8%
3. Natural Gas Vehicle	N/A	N/A	N/A	N/A	\$0.02990	\$0.03193	\$0.00203	6.8%
<b><u>Noncore</u></b>								
4. Commercial/Industrial	N/A	N/A	N/A	N/A	\$0.08855	\$0.11412	\$0.02557	28.9%
	<b>2010</b>	<b>2011</b>	<b>Rev Change</b>	<b>% change</b>				
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>%</b>				
5. System Total Revenue	\$37,568	\$45,583	\$8,016	21.3%				

Note: Present rates reflect gas rates filed in AL 1899-G effective January 1, 2010

**ATTACHMENT C**  
**SAN DIEGO GAS & ELECTRIC COMPANY**  
**ADVICE LETTER 1984-G**  
**Gas Public Purpose Programs (PPP)**  
**Revenue Requirement Update for Rates Effective January 1, 2011**

			<b>Present</b>			<b>Proposed</b>			<b>Variance</b>
			<b>Impact on Rates 1/</b>			<b>Impact on Rates</b>			
			<u>Funding</u>	<u>Amortization</u>	<u>Total</u>	<u>Funding</u>	<u>Amortization</u>	<u>Total</u>	
			A	B	C = A + B	D	E	F = D + E	G = F - C
1	<b><u>Low-Income Programs</u></b>								
2	California Alternate Rates for Energy (CARE) Bal. Acct.		13,987,841 2/	(1,596,278)	12,391,563	13,343,674 8/	737,555	14,081,229	1,689,666
3	Post-2005 Gas Low Income Energy Efficiency Bal. Acct. (PGLIEEBA)		9,912,057 3/	-	9,912,057	9,539,731 9/	-	9,539,731	(372,326)
4	Total Low-Income Programs		23,899,898	(1,596,278)	22,303,620	22,883,405	737,555	23,620,960	1,317,340
5	<b><u>Non-Low-Income Programs</u></b>								
6	Post-1997 Gas Energy Efficiency Bal. Acct. (PGEEBA)		13,900,000 4/	-	13,900,000	18,533,334 10/	2,143,731 11/	20,677,065	6,777,065
7	Research, Development and Demonstration (RD&D) Bal. Acct.		1,327,079 5/	-	1,327,079	1,250,886 5/	-	1,250,886	(76,193)
8	Total Non-Low-Income Programs		15,227,079	-	15,227,079	19,784,220	2,143,731	21,927,951	6,700,872
9	<b><u>CPUC / BOE Admin Costs</u></b>		37,048 6/	-	37,048	34,359 6/	-	34,359	(2,689)
10	<b>TOTAL Gas PPP Revenue Before Shortfall Adjustment</b>		39,164,025	(1,596,278)	37,567,747	42,701,984	2,881,286	45,583,270	8,015,523
11	Shortfall Due to Newly Exempt Customers 6/		(973,772) 7/	-	(973,772)			-	973,772
12	<b>TOTAL Gas PPP Revenue in PPP Rates</b>				<u>\$ 36,593,975</u>			<u>\$ 45,583,270</u>	<u>\$ 8,989,295</u>

1/ Pursuant to Advice Letter 1899-G (11/2/09) effective January 1, 2010.

2/ Funding consists of \$13,141,176 for discounts and \$846,665 (\$3,023,803\*.28) for gas administrative costs. Pursuant to Commission D. 08-11-031, Attachment O - CARE Budgets PY 2009-2011.

Discount costs reflect estimated rates for 2010 and updated sales forecast for the CARE participants.

3/ Pursuant to Commission D. 08-11-031 (11/6/2008), Ordering Paragraph 1, authorizing 2010 LIEE funding at \$21,184,009 for electric and gas.

4/ Pursuant to Commission D. 09-09-047 (9/24/2009) authorizing \$278 million for the 2010-2012 budget cycle, 85% electric and 15% gas, spread evenly across the three years. Forecasted unspent/uncommitted funds will be allocated towards augmenting 2009 Bridge Funding Programs per Ordering Paragraph 57, adjusted for PEEBA funding pursuant to Advice Letter 2072-E.

5/ Pursuant to Commission D.04-08-010, Ordering Paragraph 19, which requires the Energy Division to allocate the \$12 million statewide budget among utilities on the basis of throughput gas volumes.

6/ Pursuant to Commission D.04-08-010, Ordering Paragraph 14, which requires the Energy Division to allocate costs among utilities on the basis of throughput gas volumes.

7/ Pursuant to Commission D.04-08-010, Finding of Fact 7, costs once paid by newly exempt customers must be re-allocated to other customers in either a BCAP or other appropriate ratemaking proceeding.

Gas PPP D.04-08-010 authorized EG rates to be exempt from the gas surcharge, but did not authorize a change in the allocation of the PPP costs among customer classes.

The reallocation of the PPP costs was approved in SDG&E's 2009 Biennial Cost Allocation Proceeding (BCAP) D. 09-11-006.

8/ Funding consists of \$12,714,771 for discounts and \$628,903 (\$3,144,517\*.20) for gas administrative costs. Pursuant to Commission D. 08-11-031, Attachment O - CARE Budgets PY 2009-2011.

Discount costs reflect estimated rates for 2011 and updated sales forecast for the CARE participants.

9/ Pursuant to Commission D. 08-11-031 (11/6/2008), Ordering Paragraph 1, authorizing 2011 LIEE funding at \$20,327,606 for electric and gas.

10/ Pursuant to Commission D. 09-09-047 (9/24/2009) authorizing \$278 million for the 2010-2012 budget cycle spread evenly across the three years. Updated allocation to 80% electric and 20% gas per Advice Letter 2127-E/1903-G (11/23/09), approved by the Commission on April 13, 2010.

11/ Amortization amount reflects:

Impact of electric and gas percentage allocation update per Advice Letter 2127-E/1903-G.	\$ 4,633,334
PGEEBA balance amortization.	<u>\$ (2,489,603)</u>
	\$ 2,143,731