



Ken Deremer  
Director  
Tariffs & Regulatory Accounts  
8330 Century Park Court  
San Diego, CA 92123-1548

Tel: 858.654.1756  
Fax: 858.654.1788  
kderemer@semprautilities.com

March 27, 2008

**ADVICE LETTER 1976-E**  
(U902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: ELECTRIC PUBLIC PURPOSE PROGRAM FUNDING LEVELS FOR YEAR  
2008 IN COMPLIANCE WITH RESOLUTION E-3792**

**PURPOSE**

In accordance with Ordering Paragraph 7, this filing complies with Commission Resolution E-3792 to submit the annual funding level obligations for electric Public Purpose Programs (PPP) for 2008.

This filing does not increase electric rates. The updated funding levels for the PPP will be included as part of SDG&E's annual October Electric Regulatory Account Update filing for rates effective January 1, 2009.

**BACKGROUND**

Ordering Paragraph 7 of Resolution E-3792, dated December 17, 2002, directs SDG&E to file an advice letter on or before March 31 of each year to adjust the current annual funding levels for Energy Efficiency, Renewables, and RD&D programs based on the following methodology:

1. determine the actual percentage change in electric sales (based on quantity) from the prior two years;
2. determine the percentage change in prices from the prior two years as measured by the change in the Gross Domestic Product deflator, as published by the U.S. Department of Commerce;
3. take the lower of these two statistics and adjust the authorized program expenditures for the current year.<sup>1</sup>

SDG&E's electric sales percentage change for 2007 is 0.68%.

As agreed upon with the CEC and investor-owned utilities (IOUs), the percentage change for the Gross Domestic Product (GDP) deflator will be based upon the "as filed" value from the prior year of 116.042 and the GDP Deflator value issued February 28 each year of 119.682 for 2007. The percentage change in prices as based upon the 2008 GDP deflator is 3.14% ( $119.682 - 116.042 / 116.042$ ). Accordingly, this filing adjusts the authorized program expenditures for the year 2008, as shown below, based upon the change in electric sales.

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<sup>1</sup> If the lower of sales change and price change is negative in any one year, authorizations for the subsequent year shall remain constant.

In addition, 2008 Renewables funding submitted to the CEC is reduced by 51.5% in accordance with Senate Bill (SB) 1036.<sup>2</sup>

Program	2007 Funding (\$Millions)	2008 Funding (\$Millions)
Energy Efficiency	34.8	35.0
Renewables	13.0	6.4
RD&D	6.0	6.1
Total PGC	53.8	47.5

Pursuant to Resolution E-3792, SDG&E shall make four equal payments to the California Energy Commission (CEC) at the end of each quarter that total the annual authorized amount for Renewables and RD&D.

### **EFFECTIVE DATE**

SDG&E believes that this filing is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to GO 96-B. SDG&E respectfully requests that this filing become effective on March 27, 2008, which is the date filed.

### **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 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 both Honesto Gatchalian (jn@cpuc.ca.gov) and Maria Salinas ([mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)) of the Energy Division. A copy of the protest should 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: Todd Cahill  
Regulatory Tariff Manager  
8330 Century Park Court, Room 32C  
San Diego, CA 92123-1548  
Facsimile No. (858) 654-1788  
E-mail: [tc@semprautilities.com](mailto:tc@semprautilities.com)

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<sup>2</sup> Draft Resolution E-4160 directs SDG&E (along with the other IOUs) to amortize in its next consolidated rate change the overcollection resulting from the reduction in the Renewables portion of the PGC.

**NOTICE**

A copy of this filing has been served on the utilities and interested parties shown on the attached list, by either providing them a copy electronically or by mailing them a copy hereof properly stamped and addressed.

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

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Director – Tariffs & Regulatory Accounts

# 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: Todd Cahill

Phone #: (858) 654-1745

E-mail: tcahill@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) #: 1976-E

Subject of AL: Electric Public Purpose Program funding levels for year 2008 in compliance with Resolution E-3792

Keywords (choose from CPUC listing): PPP, Compliance

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

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

Resolution E-3792

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>:

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

Resolution Required? ☐ Yes ☒ No

Tier Designation: ☒ 1 ☐ 2 ☐ 3

Requested effective date: 3/27/08

No. of tariff sheets: 0

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

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:

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

Pending advice letters that revise the same tariff sheets:

**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: Todd Cahill**

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

**San Diego, CA 92123**

**tcahill@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

D. Appling  
S. Cauchois  
J. Greig  
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  
E. Hull

City of Poway

R. Willcox

City of San Diego

J. Cervantes  
G. Lonergan  
M. Valerio

Commerce Energy Group

V. Gan

Constellation New Energy

W. Chen

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

R. W. Beck, Inc.

C. Elder

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