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October 1, 2009

ADVICE LETTER 2114-E
(U 902-M)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUBJECT: ELECTRIC PUBLIC PURPOSE PROGRAMS RATES EFFECTIVE JANUARY 1, 2010

PURPOSE

This filing revises San Diego Gas & Electric Company's (SDG&E) electric public purpose programs (PPP) rates effective January 1, 2010, in accordance with California Public Utilities Commission (Commission) Decision (D.) 03-04-027. The impact to electric class average customer rates is shown in Attachment A and revenue requirement update in Attachment B respectively.

BACKGROUND

As set forth in Ordering Paragraph (OP) 2 of D.03-04-027 in Application (A.) 02-11-031, SDG&E is ordered to file an advice letter by October 1st of each year to revise its electric PPP rates effective January 1st of the following year. The revisions to electric PPP rates are based on currently authorized annual revenue requirements and updates to the electric PPP regulatory account amortizations. SDG&E's electric PPP rates consist of low-income and non-low-income PPP cost components. The low-income cost component reflects the Low-Income Energy Efficiency (LIEE) and California Alternate Rates for Energy (CARE) programs. The non-low-income cost component reflects the Electric Procurement Energy Efficiency, Energy Efficiency (EE), Research, Development and Demonstration (RD&D), and Renewables programs.

Pursuant to D.08-11-031, Attachment O issued on November 6, 2008, funding consists of a CARE administrative budget of \$3.02 million, of which \$2.18 million is allocated to SDG&E's Electric Department. The CARE discount portion of the CARE budget is projected to be \$33.12 million based on the most current billing determinants. Also included is the forecast of the CARE balancing account balance overcollection as of December 31, 2009.

The electric PPP surcharge rates also reflect the electric portion of SDG&E's 2009 authorized LIEE budget of \$11.27 million, as adopted in OP 1 of D.08-11-031. The authorized LIEE budget is allocated 53% electric and 47% gas, delineated from the adopted budget summary in the decision.

For the non-low income rate components, SDG&E applied the forecasted 2009 year-end balances in the EE¹, RD&D and Renewables Balancing Accounts and the currently authorized program budgets² for RD&D and Renewables to develop a net amortization component for the non-low income regulatory accounts.

This filing results in an increase to electric total system average rates of \$0.00297 per kilowatt hour (kWh) (1.80%). The customer class allocation methodology for the energy efficiency revenue requirement reflects the direct allocation methodology as approved in Advice Letter 1769-E. Attachment B summarizes the proposed electric PPP revenue requirements set forth in this filing.

SDG&E intends to file an advice letter at least three days prior to January 1, 2010, including appropriate tariff sheets, to consolidate all the electric rate adjustments authorized to become effective January 1, 2010. Thus, the revised electric PPP rates resulting from this filing will be incorporated into SDG&E's year-end consolidated filing.

EFFECTIVE DATE

SDG&E believes that this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. SDG&E respectfully requests that this filing become effective on January 1, 2010, which is more than 30 days from 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 impacts, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date this advice letter was filed with the CPUC. 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 (inj@cpuc.ca.gov) and Maria Salinas (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: Megan Caulson
Regulatory Tariff Manager
8330 Century Park Court, Room 32C
San Diego, CA 92123-1548
Facsimile No. (858) 654-1748
E-mail: mcaulson@semprautilities.com

¹ Net of unspent committed funds.

² In accordance with SDG&E's Advice Letter 2072-E effective March 25, 2009, is pending CPUC approval.

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) 654-1748 or by e-mail at SDG&ETariffs@semprautilities.com.

RON VAN DER LEEDEN
Director – Rates, Revenues & Tariffs

(cc list enclosed)

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: Joff Morales

Phone #: (858) 650-4098

E-mail: jmorales@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) #: 2114-E

Subject of AL: Electric Purpose Programs Rates Effective January 1, 2010

Keywords (choose from CPUC listing): Compliance, Public Purpose Programs

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

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

D.03-04-027

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: None

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

Does AL request confidential treatment? If so, provide explanation: No

Resolution Required? ☐ Yes ☒ No

Tier Designation: ☐ 1 ☒ 2 ☐ 3

Requested effective date: 1/1/2010

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

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: None

Service affected and changes proposed¹: None

Pending advice letters that revise the same tariff sheets: None

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

¹ 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

**SAN DIEGO GAS AND ELECTRIC COMPANY
ADVICE LETTER 2114-E
ATTACHMENT A**

ELECTRIC PUBLIC PURPOSE PROGRAMS (PPP)

Class Average Rates (¢/kWhr)

	Current 9/1/2009 Rates	Proposed Rates	Change ¢/kWhr	%
Residential	18.000	18.310	0.310	1.72%
Small Comm.	18.221	18.669	0.448	2.46%
Med. & Lg. C&I	15.292	15.548	0.256	1.67%
Agriculture	17.666	18.054	0.388	2.20%
Lighting	15.799	16.214	0.415	2.63%
System Total	16.540	16.837	0.297	1.80%

San Diego Gas & Electric

SAN DIEGO GAS & ELECTRIC COMPANY ADVICE LETTER 2114-E ATTACHMENT B

Electric Public Purpose Programs (PPP) Revenue Requirement Update for Rates Effective January 1, 2010

	Present 2009			Proposed 2010			Variance
	Impact on Rates 1/			Impact on Rates			
	<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
Low-Income Programs							
California Alternate Rates for Energy (CARE) Bal. Acct.	34,217,938 2/	12,536,000	46,753,938	35,301,193 6/	(628,000)	34,673,193	(12,080,745)
Low-Income Energy Efficiency Bal. Acct. (LIEEBA)	11,271,951 3/	1,255,000	12,526,951	11,271,952 3/	-	11,271,952	(1,254,999)
Total Low-Income Programs	45,489,889	13,791,000	59,280,889	46,573,145	(628,000)	45,945,145	(13,335,744)
Non-Low-Income Programs							
Electric Procurement Energy Efficiency Bal. Acct. (EPEEBA)	51,338,475 4/	-	51,338,475	43,126,667 7/	-	43,126,667	(8,211,808)
Post-1997 Electric Energy Efficiency Bal. Acct. (PEEEBA)	34,800,000 4/	(39,600,000)	(4,800,000)	35,640,000 8/	- 8/	35,640,000	40,440,000
Research, Development and Demonstration (RD&D) Bal. Acct.	6,100,000 5/	705,000	6,805,000	6,210,000 8/	(323,000)	5,887,000	(918,000)
Renewables Bal. Acct.	6,366,000 5/	(46,102,000)	(39,736,000)	6,520,000 8/	(2,027,000)	4,493,000	44,229,000 9/
Total Non-Low-Income Programs	47,266,000	(84,997,000)	(37,731,000)	48,370,000	(2,350,000)	46,020,000	83,751,000
TOTAL Electric PPP Revenue in PPP Rates	144,094,364	(71,206,000)	72,888,364	138,069,812	(2,978,000)	135,091,812	62,203,448

1/ Pursuant to Advice Letter 2053-E effective January 1, 2009.

2/ Funding consists of \$32,074,927 for discounts and \$2,143,011 (\$2,935,632 * .73) for electric administrative costs.

Discount costs reflect current rates and updated sales forecast for the CARE participants. The total annual sales forecast is the currently authorized forecast.

Administrative costs pursuant to Low-Income A. 08-05-024 (Attachment B-1 CARE Budget).

3/ Pursuant to Commission D. 08-11-031 (11/6/2008), Ordering Paragraph 1, authorizing 2009 LIEE funding at \$21,184,008 for electric and gas.

4/ Pursuant to Commission D. 08-10-027 as corrected by D. 08-11-003 (11/05/2008) order correcting error table authorizing 2009 EE bridge funding of \$8,477,981 monthly for electric and gas.

5/ Pursuant to Advice Letter 1976-E effective March 27, 2008, which was approved by the Commission on May 2, 2008.

6/ Funding consists of \$33,124,055 for discounts and \$2,177,138 (\$3,023,803*.72) for electric administrative costs. Pursuant to Commission D. 08-11-031, Attachment O - CARE Budgets PY 2009-2011.

Discount costs reflect current rates and updated sales forecast for the CARE participants. The total annual sales forecast is the currently authorized forecast.

7/ 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.

8/ Pursuant to Advice Letter 2072-E effective March 25, 2009, pending approval from CPUC.

9/ Decrease in amortization due primarily to the 2008 refund from the California Energy Commission as a result of a legislative change in the renewable resources program caused by Senate Bill 1036.

Note: FF&U excluded from funding.