

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



November 10, 2010

Advice Letter 2199-E

Clay Faber, Director
Regulatory Affairs
San Diego Gas and Electric
8330 Century Park Court, CP32C
San Diego, CA 92123-1548

Subject: Electric Public Purpose Programs Rates Effective January 1, 2011

Dear Mr. Faber:

Advice Letter 2199-E is effective January 1, 2011.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



Clay Faber
Director – Regulatory Affairs
8330 Century Park Court
San Diego, CA 92123-1548

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October 1, 2010

ADVICE LETTER 2199-E
(U 902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUBJECT: ELECTRIC PUBLIC PURPOSE PROGRAMS RATES EFFECTIVE JANUARY 1, 2011

PURPOSE

This filing revises San Diego Gas & Electric Company's (SDG&E) electric public purpose programs (PPP) rates effective January 1, 2011, 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 \$3.14 million, of which \$2.52 million is allocated to SDG&E's Electric Department. The CARE discount portion of the CARE budget is projected to be \$40.36 million based on the most current billing determinants. Also included is the forecast of the CARE balancing account balance undercollection as of December 31, 2010

The electric PPP surcharge rates also reflect the electric portion of SDG&E's 2010 authorized LIEE budget of \$10.79 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 2010 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 a decrease to electric total system average rates of \$0.00031 per kilowatt hour (kWh) (0.19%). 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, 2011, including appropriate tariff sheets, to consolidate all the electric rate adjustments authorized to become effective January 1, 2011. 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, 2011, 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 by October 20, 2010, 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 (jinj@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 2153-E effective March 23, 2010, 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.

(cc list enclosed)

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: 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) #: 2199-E

Subject of AL: Electric Purpose Programs Rates Effective January 1, 2011

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: 1/1/2011

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
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Commerce Energy Group

V. Gan

Constellation New Energy

W. Chen

CP Kelco

A. Friedl

Davis Wright Tremaine, LLP

E. O'Neill
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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 2199-E
ATTACHMENT A**

ELECTRIC PUBLIC PURPOSE PROGRAMS (PPP)

Class Average Rates (¢/kWhr)

	Current 9/1/2010 Rates	Proposed 1/1/11 Rates	Change ¢/kWhr	%
Residential	17.998	17.976	(0.022)	-0.12%
Small Comm.	18.044	17.952	(0.092)	-0.51%
Med. & Lg. C&I	14.537	14.512	(0.025)	-0.17%
Agriculture	17.561	17.460	(0.101)	-0.58%
Lighting	15.643	15.526	(0.117)	-0.75%
System Total	16.170	16.139	(0.031)	-0.19%

**SAN DIEGO GAS & ELECTRIC COMPANY
ADVICE LETTER 2199-E
ATTACHMENT B**

**Electric Public Purpose Programs (PPP)
Revenue Requirement Update for Rates Effective January 1, 2011**

	Present 2010 Impact on Rates 1/			Proposed 2011 Impact on Rates			Variance
	<u>Funding</u> A	<u>Amortization</u> B	<u>Total</u> C = A + B	<u>Funding</u> D	<u>Amortization</u> E	<u>Total</u> F = D + E	G = F - C
<u>Low-Income Programs</u>							
California Alternate Rates for Energy (CARE) Bal. Acct.	35,301,193 2/	(628,000)	34,673,193	42,873,049 6/	13,160,369	56,033,418	21,360,225
Low-Income Energy Efficiency Bal. Acct. (LIEEBA)	<u>11,271,952</u> 3/	-	<u>11,271,952</u>	<u>10,787,875</u> 4/	-	<u>10,787,875</u>	<u>(484,077)</u>
Total Low-Income Programs	46,573,145	(628,000)	45,945,145	53,660,923	13,160,369	66,821,293	20,876,147
<u>Non-Low-Income Programs</u>							
Electric Procurement Energy Efficiency Bal. Acct. (EPEEBA)	43,126,667 7/	-	43,126,667	38,493,333 8/	(4,633,333) 8/	33,860,000	(9,266,667)
Post-1997 Electric Energy Efficiency Bal. Acct. (PEEEBA)	35,640,000 5/	-	35,640,000	35,640,000 9/	(22,000,000)	13,640,000	(22,000,000)
Research, Development and Demonstration (RD&D) Bal. Acct.	6,210,000 5/	(323,000) 5/	5,887,000	6,210,000 9/	(308,309)	5,901,691	14,691
Renewables Bal. Acct.	<u>6,520,000</u> 5/	<u>(2,027,000)</u>	<u>4,493,000</u>	<u>6,520,000</u> 9/	<u>1,289,946</u>	<u>7,809,946</u>	<u>3,316,946</u>
Total Non-Low-Income Programs	48,370,000	(2,350,000)	46,020,000	48,370,000	(21,018,363)	27,351,637	(18,668,363)
<u>TOTAL Electric PPP Revenue in PPP Rates</u>	138,069,812	(2,978,000)	135,091,812	140,524,256	(12,491,326)	128,032,930	(7,058,882)

1/ Pursuant to Advice Letter 2114-E effective January 1, 2010.

2/ 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.

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

5/ Pursuant to Advice Letter 2072-E effective March 25, 2009, approved by the Commission on November 10, 2009.

6/ Funding consists of \$40,357,435 for discounts and \$2,515,614 (\$3,144,517*.80) 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 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, approved by the Commission on April 13, 2010. Amortization amount results from the percentage allocation change.

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.

9/ Pursuant to Advice Letter 2153-E effective March 23, 2010, pending approval from CPUC.