

March 12, 2001

PUC 110

ADVICE LETTER 1289-E-A
(U 902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: SUPPLEMENTAL FILING FOR NEW ELECTRIC RATE SCHEDULE GSSG --
GRID SERVICES FOR SELF-GENERATORS**

San Diego Gas & Electric Company (SDG&E) hereby submits the following revisions applicable to its electric tariffs as shown on the Attachment.

PURPOSE

The purpose of this supplemental filing is to remove the Franchise Fee Differential language from the Rates section of Schedule GSSG, which was inadvertently included. Off system services are not subject to franchise fees and therefore the language is not applicable. **This supplemental filing replaces Advice Letter 1289-E in its entirety.**

SDG&E hereby seeks approval to add the attached electric rate schedule to SDG&E tariffs in order to bill a portion of the California Independent System Operator's (ISO) Grid Management Charge (GMC) to generating facilities for their load behind the meter as described below. In addition, a revision to Section K (Purchased Electric Commodity Account) of the electric Preliminary Statement is attached for the purpose of crediting the revenue billed under the new Schedule GSSG, *Grid Services for Self-Generators*.

BACKGROUND

On November 1, 2000 the ISO filed with the Federal Energy Regulatory Commission (FERC) in Docket ER01-313-000 its GMC methodology which is used to recover its annual ongoing operation and maintenance costs as well as start-up and development costs. The ISO asked for an effective date beginning on January 1, 2001. Currently, the ISO charges one bundled GMC component to scheduling coordinators (SC) based upon the amount of monthly energy scheduled with the ISO. In its November 1, 2000 filing, the ISO unbundled its GMC into the following three components.

- a) Control Area Operations – CAO
- b) Inter-zonal Scheduling
- c) Market Operations

These three GMC components will be billed by the ISO to the Power Exchange (PX), which is SDG&E's SC, who in turn passes these costs on to SDG&E in accordance with its currently approved Schedule PX. In turn, SDG&E charges these costs to its applicable bundled customers. Once the PX ceases to exist in April 2001 per FERC's order in Docket EL00-95-000, the ISO will directly bill these GMC charges to SDG&E as the SC.

In addition, for the first time, the ISO is proposing to charge the CAO unbundled component of the GMC for generating facilities' load behind the meter. The load behind the meter represents the generating facilities' net generation metering, as defined by Rule 21, less the generating facilities' sale of electricity to SDG&E.

SDG&E is seeking approval of the attached Schedule GSSG solely for the purpose of billing the CAO component of the GMC to the generating facility for its load behind the meter for which SDG&E is charged in accordance with the ISO tariff. The purpose of this filing is to ensure that customers are treated fairly based on how SDG&E incurs costs.

SDG&E recognizes that the changes requested herein may create a small negative impact on the potential for the installation of new electric generators in California, and SDG&E intends to make its concerns known before the FERC at the appropriate time and manner. However, these GMC charges are required by the ISO; and SDG&E must pass this on to the generators.

ADDITIONAL INFORMATION

In order to measure the generating facilities' load behind the meter, one of the following meter arrangements must be met.

For certain generating facilities, there is a bi-directional meter located at SDG&E's interconnection with the generating facility (purchase power meter) which is used to measure the energy purchased by SDG&E under its current Purchase Power Agreement with the generating facility and an electric meter located at the generating facility's generator (generator output meter). This is an SDG&E meter but was installed for billing natural gas to the generator. In essence, the meter is there only for natural gas billing and not for the billing of electric services. By this filing, SDG&E requests approval to use the information from this meter for electric tariff services in order to bill the generating facility for its load behind the meter. SDG&E intends to reconcile the readings of its purchase power meter with its generation output meter to determine the energy used behind the meter, which will save the customer the cost of having to install a new meter to separately measure the load.

For other generating facilities, SDG&E has only the interconnection meter which is used to measure the energy purchased by SDG&E under its Purchase Power Agreement with the generating facility. Thus, only one meter currently exists requiring a separate meter to be installed at the generating facility load.

EFFECTIVE DATE

SDG&E respectfully requests that this filing become effective on March 12, 2001, which is 40 calendar days after the date filed.

PROTEST

Anyone may protest this Advice Letter to the California Public Utilities 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 either in writing or by facsimile and 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:

IMC Branch Chief
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4002
San Francisco, CA 94102

A copy should also be mailed to the Energy Division-IMC Branch, Room 4005 (at the address shown above). It is also requested that a copy of the protest 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: C. Richard Swanson
Regulatory Tariff Manager
101 Ash Street, HQ-14B
San Diego, CA 92101-3017
Facsimile No. (619) 696-4027
E-Mail: rswanson@sempra.com

NOTICE

In accordance with Section III-G of General Order 96-A, a copy of this filing has been served on the utilities and interested parties shown on the attached list by providing them a copy hereof electronically or via the U.S. Mail, properly stamped and addressed.

Address changes should be directed to Martha Ulloa by facsimile at (619) 696-4027 or by e-mail to mulloa@sempra.com.

LEE SCHAVRIEN
Director, Regulatory Case Management
& Tariff Administration

Enclosures

cc list attached

ATTACHMENT A
ADVICE LETTER 1289-E-A

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 14283-E	PRELIMINARY STATEMENT, II. BALANCING ACCOUNTS, Sheet 26	Revised 14274-E
Original 14284-E	SCHEDULE GSSG, GRID SERVICES FOR SELF- GENERATORS, Sheet 1	
Revised 14285-E	TABLE OF CONTENTS, Sheet 1	Revised 14281-E
Revised 14286-E	TABLE OF CONTENTS, Sheet 3	Revised 14279-E



PRELIMINARY STATEMENT

Sheet 26

II. BALANCING ACCOUNTS

K. PURCHASED ELECTRIC COMMODITY ACCOUNT (PECA) (Continued)

6. Accounting Procedure (Continued)

- b. A debit entry equal to any reward earned from the prior month under a future Electric Commodity PBR mechanism.
- c. A credit entry equal to the revenues received from the Schedule EECC charge, which includes both the Schedule EECC rate and the Schedule EECC Balancing rate (described above). Revenues shall be adjusted for an allowance for franchise fees and uncollectibles expense.
- d. A credit entry equal to the revenue billed under Schedule GSSG. N
- e. A credit entry equal to any penalty earned from the prior month under a future Electric Commodity PBR mechanism. T
- f. A debit or credit entry equal to accrued revenues or incurred costs associated with bilateral contracts for energy, ancillary services, and capacity products. T
- g. Interest shall be calculated on the average of the balance at the beginning of the month and the balance after entries 6.a. through 6.d. at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, G.13 or its successor. T
- h. A debit or credit entry to accrued revenues or incurred costs associated with firm transmission rights. T

7. Effective Date: This rate schedule is effective for service rendered on and after the end of the rate freeze period, which is estimated to be July 1, 1999.



SCHEDULE GSSG

Sheet 1

GRID SERVICES FOR SELF-GENERATORS

APPLICABILITY

Applicable to any customer that has an electric generator that is installed behind a meter that also serves customer load where the customer operates in parallel with the utility.

TERRITORY

Within the entire territory served by the utility.

RATES

Energy Charges (per kWh)

Grid Management Service..... \$0.00041

SPECIAL CONDITIONS

1. Definitions: The Definitions of terms used in this schedule are found either herein or in Rule 1.
2. Grid Management Service: The Grid Management Service Energy Charges shall apply to Behind the Meter Load served by the customer's generating facility. This charge shall not be applied to a customer for generation that qualifies for service on Schedule NEM nor where the generator operates in parallel for periods of less than 15 minutes when service is restored after an electrical outage.
3. Behind The Meter Load: Shall be determined as the Generating Facility's Net Generation metered output less any sale of electricity to the utility.
4. Generating Facility's Net Generation: Net Generation as described in Section F of Rule 21, shall be determined either by use of the utility owned meter or by estimate. If the utility already has a meter in place that is capable of measuring the Net Generation then the utility shall use that meter for this measurement. If the utility does not have an existing meter in place that can measure the Net Generation then, at the customer's request and expense, the utility will install such a meter in a meter socket installed by the customer. If the utility does not have an existing meter in place that can measure the Net Generation and the customer does not request such a meter, then the utility will bill the customer on an estimated basis using the same assumption as used by the ISO when it bills the utility for those charges. That is, on a monthly basis, for those customers whose contract demand (nameplate rating or such other measure of capacity that is acceptable to the utility) is greater than 20kW, the utility will bill the customer the GSSG based upon the kWh derived by multiplying the customer's contract demand by a load factor of 51%. For those customers whose contract demand is less than 20kW, the utility will bill the customer the GSSG based on the kWh derived by multiplying the customer's contract demand by a load factor of 15.2%.
5. Delinquency: In the event the customer becomes delinquent, the utility may apply any balances due to reduce payments to the customer made pursuant to any power purchase agreement.

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Advice Ltr. No. 1289-E-A

Decision No. _____

Issued by
William L. Reed
Vice President
Chief Regulatory Officer

Date Filed Mar 12, 2001

Effective _____

Resolution No. _____



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