

April 11, 2001

PUC 110
X PUF 000
A.00-11-038

ADVICE LETTER 1313-E
(U 902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: IMPLEMENTATION OF RULE 26 -- BILLING AGENT SERVICES FOR
DEPARTMENT OF WATER RESOURCES, AND THE REVISION OF
SCHEDULE EECC -- ELECTRIC ENERGY COMMODITY COST,
PURSUANT TO DECISION 01-03-081**

San Diego Gas & Electric Company (SDG&E) hereby transmits for filing the following revisions to its electric tariffs, as shown in the enclosed Attachment.

PURPOSE

This Advice Letter is being filed to comply with California Public Utilities Commission ("Commission") Decision ("D.") 01-03-081, dated March 27, 2001, in Application 00-11-038, et al (AB 1X-1). By this filing SDG&E is implementing a new Rule 26 -- *Billing Agent Services for Department of Water Resources*, and is revising its Schedule EECC, *Electric Energy Commodity Cost*, to comply with D.01-03-081.

BACKGROUND

D.01-03-081 implements AB 1X-1, which allows the state Department of Water Resources ("DWR") to procure electricity for customers of SDG&E, Pacific Gas and Electric, and Southern California Edison ("the utilities"). The Decision sets forth a proposed method the Commission will use to calculate a company-wide average generation rate, and the California Procurement Adjustment ("CPA") generated revenue for each utility. The proposed methodology was later approved by the Commission in D.01-04-005, dated April 3, 2001. D.01-03-081 also proposed a more precise billing methodology and ordered the utilities to file tariff changes necessary to implement the methodology. This filing implements the approved billing methodology by proposing a new Rule 26 and the revision of Schedule EECC.

New proposed Rule 26 (attached) provides the terms and conditions that apply to SDG&E's customers who take delivery of power procured by the DWR. SDG&E is also revising Schedule EECC herein in order to implement the more precise billing methodology ordered by D.01-03-081 as well as the specific DWR generation rates.

SDG&E intends to file a separate advice letter to revise its applicable customer bill forms, as soon as they are available, in order to reflect changes to both the front (computer generated portion) and the back (preprinted portion) of the bill forms.

EFFECTIVE DATE

Ordering Paragraph 5 of D.01-03-081 specifies that SDG&E shall implement billing under the more precise methodology within 30 days of the approval, by the Commission or its staff, of the tariff changes contained herein. However, **SDG&E respectfully requests that this filing become effective on June 1, 2001, in order to allow sufficient time for SDG&E's necessary billing system enhancements.** SDG&E also requests that it be allowed to implement billing under the methodology proposed herein, coordinated with the changes required for the ACR Tiered Rate Design, and the 20/20 plan which SDG&E plans to implement on June 29, 2001, the first July billing cycle.

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 in writing 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:

Energy Division – IMC Branch
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102

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 - HQ14D
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, including interested parties in A.00-11-038 et al, by either providing them a copy electronically or by mailing them a copy hereof, 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)

(S:Reg_aff/Data/Adviceletters/AL 1313-E.doc)

ATTACHMENT A
ADVICE LETTER 1313-E

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 14345-E	SCHEDULE EECC, ELECTRIC ENERGY COMMODITY COST, Sheet 1	Revised 14275-E
Revised 14346-E	SCHEDULE EECC, ELECTRIC ENERGY COMMODITY COST, Sheet 2	Revised 13980-E
Revised 14347-E	SCHEDULE EECC, ELECTRIC ENERGY COMMODITY COST, Sheet 3	Revised 13981-E
Revised 14348-E	SCHEDULE EECC, ELECTRIC ENERGY COMMODITY COST, Sheet 4	Revised 13981-E Revised 13982-E
Revised 14349-E	SCHEDULE EECC, ELECTRIC ENERGY COMMODITY COST, Sheet 5	Revised 13983-E
Revised 14350-E	SCHEDULE EECC, ELECTRIC ENERGY COMMODITY COST, Sheet 6	Revised 14276-E Revised 14277-E
Revised 14351-E	SCHEDULE EECC, ELECTRIC ENERGY COMMODITY COST, Sheet 7	Revised 14277-E
Original 14352-E	SCHEDULE EECC, ELECTRIC ENERGY COMMODITY COST, Sheet 8	
Original 14353-E	RULE 26, BILLING AGENT SERVICES FOR DEPARTMENT OF WATER RESOURCES, Sheet 1	
Original 14354-E	RULE 26, BILLING AGENT SERVICES FOR DEPARTMENT OF WATER RESOURCES, Sheet 2	
Original 14355-E	RULE 26, BILLING AGENT SERVICES FOR DEPARTMENT OF WATER RESOURCES, Sheet 3	
Original 14356-E	RULE 26, BILLING AGENT SERVICES FOR DEPARTMENT OF WATER RESOURCES, Sheet 4	
Revised 14357-E	TABLE OF CONTENTS, Sheet 1	Revised 14343-E
Revised 14358-E	TABLE OF CONTENTS, Sheet 3	Revised 14344-E
Revised 14359-E	TABLE OF CONTENTS, Sheet 5	Revised 14335-E



SCHEDULE EECC

Sheet 1

ELECTRIC ENERGY COMMODITY COST

APPLICABILITY

Applicable to all customers who receive UDC Bundled Service, elect service under the utility's Hourly Electric Energy Commodity Cost (EECC) Rate Option, or elect Direct Access.

TERRITORY

Applicable throughout the territory served by the utility.

RATES

This schedule will apply where the calculation of the EECC is required for either energy cost credits or charges. The EECC rate is used for billing utility supplied energy, and will consist of the forward market cost of utility retained generation (URG) and purchases, excluding Department of Water Resources (DWR) purchases, plus real-time settlement costs, i.e., the Uplift Adjustment, adjusted by Distribution Loss Factors (DLFs). The utility shall utilize the best information available for calculating the EECC. Average Schedule EECC prices will be based on the EECCs most closely corresponding to the customer's billing period. The percentage of a customer's metered energy supplied by DWR will be billed at the DWR generation rate, an approved CPUC rate. Average DWR supplied energy percentages will be based on the average of the hourly percentages most closely corresponding to the customer's billing period.

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1. Development of Hourly Forward Market Costs (HFMC):

Hourly market prices and loads, or the total costs allocated to the utility, as a result of day-ahead (DA), Hour-ahead (HA), and/or Block Forward (BF) scheduling of load will be obtained (or estimated to the extent feasible) for each relevant transmission pricing zone for each trading day. The HFMC shall be calculated for each hour as (1) the sum of the charges of all URG and purchases scheduled for load, (2) plus ISO grid management rate and Uplift Adjustment Estimation Rate (see definition in Special Condition 6) times the MWH scheduled, (3) all divided by the total URG and purchases MWH scheduled in all forward markets for that hour excluding DWR purchases. Utility retained generation contracts and qualifying facilities prices are cost-based. Other bilateral contracts prices are based on the hourly contract charge. For SONGS, the cost-based rate is equal to the authorized ICIP rate.

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2. Uplift Adjustments

The Uplift Adjustment, which includes the real-time costs (i.e. those costs not reflected in charges to customers based upon prices determined from the DA, HA and/or BF scheduling of load) for acquiring power for utility customers for the trading day approximately 60 days earlier, is added to the cost derived in Part 1 of this section. This rate is determined monthly by dividing the actual real-time cost amount less the Estimated Real-time Costs (see definition in Special Condition 7) by the actual metered load applicable to the URG load, for the month in which the cost was incurred. Two adjustments may eventually be implemented: one for all customers of the utility and an incremental adjustment only for customers without real-time meters. Real-time costs include, but are not limited to: ancillary services, replacement reserve, real-time energy, imbalance energy, Unaccounted For Energy (UFE), ISO monthly management costs, miscellaneous charges, monthly management costs, firm transmission rights costs or revenues, and BF or bilateral purchases administrative fees and charges net of credits, rebates, or refunds (see Special Condition 4 and 5). The uplift adjustment may include the amortization of the previous month's ending balance of the Purchased Electric Commodity Account.

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Vice President
Chief Regulatory Officer

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SCHEDULE EECC

Sheet 2

ELECTRIC ENERGY COMMODITY COST

RATES (Continued)

3. Adjustments for Distribution Loss Factors (DLFs)

The average hourly cost at the transmission/distribution interface, as determined by the sum of the average costs described in Parts 1 and 2 of this section, is multiplied by the DLF_{TLL} to determine the appropriate price to be paid by, or credited to in the case of Direct Access, end-use customers served at each voltage level. The DLF_{TLL} for each voltage level includes a factor for lost and unaccounted for energy. DLF_{TLL} will be calculated by the utility based on the forecast hourly SDG&E UDC Service Area Load (Direct Access, plus UDC customers, including the Hourly EECC Rate Option Service) per Decision 97-08-056, as modified by Decision 97-11-026. The hourly DLF_{TLL} will be broken out by service voltage level and made available each day to market participants during the day-ahead market. The utility will calculate the hourly DLF_{TLL} by applying the following formulae:

a. Secondary Voltage Class Customers

$$DLF_{DLL} = 1 + [Losses/Load]$$

$$DLF_{TLL} = 1.0065 \times DLF_{DLL}$$

Where: Losses = $[0.0000090935 \times (SysLoad)^2] + 27.21$
 Load = $-[0.00000804463 \times (SysLoad)^2] + [0.8586372 \times SysLoad] - 24.0524567$
 SysLoad = SDG&E system load during hourly period in MW.

b. Primary Voltage Class Customers

$$DLF_{DLL} = 1 + (Losses/Load)$$

$$DLF_{TLL} = 1.0065 \times DLF_{DLL}$$

Where: Losses = $[0.0000001523524 \times (SysLoad)^2] + 0.427367656$
 Load = $-[0.000001181634 \times (SysLoad)^2] + [0.12612 \times SysLoad] - 3.533$
 SysLoad = SDG&E system load during hourly period in MW.

c. Primary at Substation Voltage Class Customers

$$DLF_{DLL} = 1 + (Losses/Load)$$

$$DLF_{TLL} = 1.0065 \times DLF_{DLL}$$

Where: Losses = $[0.00000000009798 \times (SysLoad)^2] + 0.007089$
 Load = $-[0.0000000196 \times (SysLoad)^2] + [0.002092 \times SysLoad] - .0586$
 SysLoad = SDG&E system load during hourly period in MW.

d. Transmission Voltage Class Customers

$$DLF_{DLL} = 1 + (Losses/Load) = 1$$

$$DLF_{TLL} = 1.0065 \times DLF_{DLL} = 1.0065$$

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SCHEDULE EECC

ELECTRIC ENERGY COMMODITY COST

RATES (Continued)

4. Uncollectibles Expense Factor and the Franchise Fee Factor

The average hourly EECC cost, after adjusting for DLFs, will be further adjusted by an Uncollectibles Expense Factor of 1.00274 and a Franchise Fee Factor of 1.0110. The resulting adjusted average hourly EECC costs will be used for billing the EECC charges for customers receiving service under UDC Bundled Service or the Hourly EECC Rate Option, and in determining Average Schedule EECC Prices for credits to direct access customers. The Franchise Fee Factor of 1.0110 will also be applied to the customer's DWR generation charges. Franchise Fees associated with DWR electricity purchases will be reflected in a separate line item on customer bills titled "Franchise Fees for Electric Energy Supplied by Others".

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5. Franchise Fee Differential

A franchise fee differential of 1.9% will be applied to the total bills calculated under this schedule, including DWR charges, for all customers residing within the corporate limits of the City of San Diego. Such franchise fee differential shall be so indicated and added as a separate item to bills rendered to such customers.

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6. Determination of Average Schedule EECC Prices

a. Non-Time-of-Use Rate Schedules

The amount of the customer's EECC Energy Charge shall be the rate group Average Schedule EECC Energy Price multiplied by the URG Supplied Energy Percentage (as defined in Rates Section 10 below) and then multiplied by the customer's metered kWh during the billing period or, for unmetered service, by the monthly kWhs implicit in the charges for unmetered service. The rate group Average Schedule EECC Energy Price for the billing period is the sum of the products of the hourly EECC Energy Cost determined as described in Sections 1 and 2 above, the hourly load percentages from the utility's Dynamic or Statistical Load Profile for the applicable rate group, and the hourly DLFs determined as set forth in Section 3 above, for the applicable service voltage, the Uncollectibles Expense Factor, and the Franchise Fee Factor. This Average Schedule EECC Energy Price is calculated on a weekly basis using all calendar weeks from the time of the customer's previous billing through the calendar week prior to the current billing. For purposes of this calculation, calendar week shall be defined as the seven day period beginning on Wednesday and ending on the following Tuesday. The Average Schedule EECC Energy Prices are calculated each Sunday and are utilized for all billing executed through the following Saturday.

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SCHEDULE EECC

ELECTRIC ENERGY COMMODITY COST

RATES (Continued)

6. Determination of Average Schedule EECC Prices (Continued)

b. Time-of-Use Rate Schedules

The amount of the customer's Schedule EECC Energy Charge shall be the sum of the products of the rate group Average Schedule EECC Energy Price in each time-of-use period as defined in the applicable rate schedule and the customer's metered kWh multiplied by the URG Supplied Energy Percentage (as defined in Rates Section 10 below) in each time-of-use period during the billing period. The rate group Average Schedule EECC Energy Price for each time-of-use period is the sum of the products of the hourly Schedule EECC determined as described in Section 1 and 2 above, the hourly load percentages from the utility's Statistical or Dynamic Load Profile for the applicable rate group, the hourly DLFs determined as set forth in Section 3 above for the applicable service voltage, the Uncollectibles Expense Factor and the Franchise Factor. The Average Schedule EECC Energy Prices are calculated on a weekly basis using all calendar weeks from the time of the customer's previous billing through the calendar week prior to the current billing. For purposes of this calculation, calendar week shall be defined as the seven day period beginning on Wednesday and ending on the following Tuesday. Average Schedule EECC Energy Prices are calculated each Sunday and are utilized for all billing executed through the following Saturday.

7. Summary of Class Load Profile Categories and Associated Rate Schedules

<u>Class Load Profile</u>	<u>Rate Category</u>	<u>Associated Rate Schedules</u>
Residential:	Residential Non-Time-of-Use Residential Time-of-Use Electric Vehicle Time-of-Use Electric Vehicle & Household Time-of-Use	DR, DR-LI, DM, DS, DT, DT-RV, D-SMF DR-TOU, DR-TOU-2 EV-TOU, EV-TOU-3 EV-TOU-2
Small Commercial:	Small Commercial	A, A-TC
Schedule AD:	Schedule AD	AD
Medium Comm/Ind (<or=500 kW):	Medium Comm/Ind Schedule A-V	A-TOU, AY-TOU, AL-TOU, AO-TOU, PA-T-1, RTP-2, A-V1, A-V2, A-V3
Large Comm/Ind (> 500 kW):	Large Comm/Ind Schedule A-V	AL-TOU, NJ, AO-TOU, PA-T-1, RTP-2 A-V1, A-V2, A-V3
Schedule A6-TOU:	Schedule A6-TOU	A6-TOU
Agricultural:	Agricultural Non-Time-of-Use Agricultural Time-of-Use	PA PA-TOU
Lighting:	Lighting	LS-1, LS-2, LS-3, OL-1, DWL

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SCHEDULE EECC

ELECTRIC ENERGY COMMODITY COST

RATES (Continued)

8. Summary of Average Schedule EECC Price Categories

<u>Category</u>	<u>Consumption Type</u>		<u>No. of Prices</u>
Residential	Total	at 1 Voltage	1
Residential TOU	On-peak, off-peak	at 1 Voltage	2
Electric Vehicle TOU	On-peak, off-peak, super off	at 1 Voltage	3
Electric Vehicle & Household TOU	On-peak, off-peak, super off	at 1 Voltage	3
A	Total	at 2 Voltage	2
AD	Total	at 2 Voltages	2
Med Comm/Ind<500 kw	On,semi,off	at 4 Voltages	12
Med Comm/Ind<500 kw AV Rate	Semi (incl. signal periods),off	at 4 Voltages	8
Lrg Comm/Ind>500 kw	On,semi,off	at 4 Voltages	12
Lrg Comm/Ind>500 kw AV Rate	Semi (incl. signal periods),off	at 4 Voltages	8
A6-TOU	On,semi,off	at 3 Voltages	9
Agricultural	Total	at 1 Voltage	1
Agricultural TOU	On-peak, off-peak	at 1 Voltage	2
Lighting	Total	at 1 Voltage	1
	Total		66

Sixty-six prices will be determined for each of the 9 billing period options (4-week period up to a 12-week period).

Note: Some of the categories show both a total price and time of use prices (Residential and Agricultural). The total price will be used for tariffs that are not time of use (e.g. Schedule DR) and the time of use prices will be used for tariffs that are time of use (e.g. Schedule DR-TOU).

9. Development of DWR Supplied Energy Percentages

Hourly DWR supplied energy percentages are determined by dividing DWR purchases for that hour by the total URG and purchased MWH scheduled in all forward markets and an estimate for real time purchases for that hour. The rate group average DWR supplied energy percentages for the billing period is determined by calculating an average of hourly DWR supplied energy percentage weighted by the utility's hourly statistical or dynamic load profile for the applicable rate group. The same categories used to develop Average Schedule EECC Prices, as described in Rates Section 8 above, will be used to determine the average DWR supplied energy percentages. The average DWR supplied energy percentages are calculated on a weekly basis using all calendar weeks from the time of the customer's previous billing through the calendar week prior to the current billing. For purposes of this calculation, calendar week shall be defined as the seven day period beginning on Wednesday and ending on the following Tuesday. The average DWR supplied energy percentages are calculated each Sunday and are utilized for all billing executed through the following Saturday.

10. Development of URG Supplied Energy Percentages

The URG supplied energy percentage for a billing period is calculated by subtracting the DWR supplied energy percentage from 100%.

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SCHEDULE EECC

ELECTRIC ENERGY COMMODITY COST

RATES (Continued)

11. DWR Generation Rate

DWR generation rate is \$0.065 per kWh. The amount of the customer's DWR generation charge is the DWR supplied energy percentage multiplied by the customer's metered kWh during the billing period multiplied by \$.065 per kWh.

ELECTRIC SERVICE ELECTIONS

1. Calculation of Schedule EECC Energy Charges for UDC Bundled Service and Hourly EECC Rate Option Customers and EECC credits for Direct Access and Hourly EECC Rate Option Customers

For purposes of determining Schedule EECC Energy Charges for UDC Bundled Service and Schedule EECC Energy Credits for Direct Access and Hourly EECC Rate Option Customers, Average Schedule EECC Prices for each schedule are developed through the use of a dynamic load profile, which represents the average load profile for all customers (Bundled UDC, Virtual Direct Access, and Direct Access) on a given rate schedule. Dynamic load profiles will reflect the influences of weather and other relevant variables. Statistical load profiles will be used for the lighting customer class. The statistical load profiles are determined hourly for the entire year based on average historical data for three recorded years.

The customer's actual use multiplied by the Average Schedule EECC Energy Price is equal to the Schedule EECC Energy Charge for Bundled UDC Service or Schedule EECC Energy Credit for Direct Access Customers. For Hourly EECC Rate Option customers, the Schedule EECC Energy Credit is calculated as described above for Direct Access customers and the hourly energy charge is equal to the sum of the products of the hourly costs, including adjustments, and the customer-specific hourly load for each hour of the customer's billing period.

2. Revisions to the Average Schedule EECC Energy Prices

The Average Schedule EECC Energy Prices will be updated on a weekly basis. Revisions to the utility's Schedule EECC Energy Prices will be based on the most current data available, and the resulting prices will be posted to the utility's website at www.sdge.com.

3. Loads for Real-Time Settlements

At the end of each billing cycle, all monthly-metered data must be gathered and allocated to each hour of the billing period using dynamic or statistical load profiles. This load information is then provided to the ISO for settlement purposes, along with hourly-metered load data.

The load profile used in settlement will be the same one used for calculating the average EECC energy cost described above. In order to calculate the total energy used in a given hour of a given day, meters must be read for every billing cycle that includes that hour. The fraction of billing period use allocated to the hour in question is equal to the fraction from the same day and hour taken from the load profile associated with the customer's billing period. The sum of monthly-metered and hourly-metered loads in each hour is then multiplied by the appropriate DLF to determine the total hourly load used for settlement purposes.

4. Customer Choice on Electric Power Purchases

Charges for purchases of electricity, as reflected in this schedule, are subject to competition. A customer may purchase electricity from another supplier.

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SCHEDULE EECC

ELECTRIC ENERGY COMMODITY COST

SPECIAL CONDITIONS

1. Definitions. The definitions of principle terms used in this schedule are found either herein or in Rule 1, Definitions.
2. Hourly Electric Energy Commodity Cost Rate Option. Customers may elect to purchase their electric power on an hourly basis through the utility. These customers will be required to have Interval Metering, as defined in Rule 1, at the customer's expense, and complete Form 143-01959 (6/97), Request for Hourly Pricing. Generation services provided under this schedule must be taken in conjunction with non-generation services provided under Direct Access. See Rule 24 for further details on the service requirements applicable to Hourly EECC Rate Option customers. Customers electing the Hourly EECC Rate Option will be subject to the provisions on changing rate options listed in Rule 12.
3. Service Restrictions. Service under this schedule is restricted to the entire load served by single meters. The electric load of a single meter may not be partitioned among services rendered under this schedule and services rendered by a non-utility party under Direct Access.
4. Block Forward Market and Bilateral Contracts. Purchases from the Monthly and Quarterly BF Market and Bilateral Contracts will not exceed 1900 MW for the peak months and quarter of July – September and 1700 MW for all non-peak months and quarters. Purchases from the Daily and Balance of Month BF Market and Bilateral Contracts will not exceed 1000 MW more than the Monthly and Quarterly Forward Market. Purchases from the Ancillary Services Market for any forward month will not exceed 90% of SDG&E's forecast of the ancillary services for the month or quarter. The utility is authorized a term of approval that allows cost recovery of Block Forward Market transactions until the end of the last Utility Distribution Company's rate freeze.
5. Block Forward Market – Levelized Price Purchases. All benefits and costs of the Block Forward Market transactions relating to purchases at a levelized price for either a term of August through December 2000 or August 2000 through April 2001 will be provided only to the residential and small commercial customers.
6. Uplift Adjustment Estimation Rate. The rate developed for each hour that represents the amount of uplift adjustments (ancillary services costs) that will be estimated and included with the other hourly forward market costs (HFMC). The rate is determined by dividing the total historical ancillary costs per hour by the total historical forward market cost per hour and multiplying this by the forecasted energy price for the month to determine a dollar rate per hour to be used in the HFMC calculation. The Uplift Adjustment Estimation Rate is developed monthly using historical data for real time and forward market costs based on the most recent 90 days of available data.
7. Estimated Real-Time Costs. The amount estimated for each hour for grid management charges, and the estimated ancillary services amount obtained by using the uplift adjustment estimation rate, as defined in Special Condition 6. above.

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SCHEDULE EECC

ELECTRIC ENERGY COMMODITY COST

SPECIAL CONDITIONS (Continued)

8. Energy Rate Ceiling (ERC). In accordance with Assembly Bill 265 and Decision 00-09-040, a ceiling of \$0.065 per kWh is set on the energy component of electric bills of applicable customers through December 31, 2002, retroactive to June 1, 2000. The rate ceiling will be applicable to the following customers:

- a. Residential Customers (accounts under Rate Schedules DR, DR-LI, DM, DS, DT, DT-RV, D-SMF, EV-TOU, EV-TOU-2, EV-TOU-3, and DR-TOU);
- b. Street Lighting Customers (accounts under Rate Schedules LS-1, LS-2, LS-3, OL-1, and DWL);
- c. All accounts on Rate Schedules A, A-TC, and A-TOU;
- d. All "general acute care hospitals", as defined in Section 1250 of the Health and Safety Code;
- e. All public and private schools for pupils from Kindergarten through Grade 12; and
- f. All accounts with Maximum Monthly Demand less than 100 kW, for at least nine out of the preceding 12 months that are taking service on one of the following rate schedules: AD, AL-TOU, AY-TOU, AO-TOU, A-V1, A-V2, NJ, or RTP-2.

Adjustments shall be applied retroactively to June 1, 2000 in the form of credits on future bills. The revenue differences resulting from the Energy Rate Ceiling shall be recorded to a subaccount of the Transition Cost Balancing Account (TCBA) for future recovery from customers.

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RULE 26

BILLING AGENT SERVICES FOR DEPARTMENT OF WATER RESOURCES

The following terms and conditions apply to SDG&E's customers who take delivery of power procured by the Department of Water Resources (DWR). SDG&E will perform billing agent responsibilities for DWR as defined by Assembly Bill 1 from the First Extraordinary Session (AB1X), required by D.01-03-081 dated March 27, 2001, and as agreed to in the SDG&E/DWR Servicing Agreement.

A. General Terms

1. Definitions

The definitions of principal terms used in this Rule are found either herein or in Rule 1, Definitions. Unless otherwise stated, all references to "customer" in this Rule will refer to SDG&E customers who are receiving electricity from DWR. Unless otherwise stated, all references to "service account" shall refer to the customer's SDG&E billing account. Unless otherwise stated, all references to DWR charges shall include monies which customers owe to DWR.

2. Obligations of Customers

- a. Upon the delivery of DWR power to customers, such customers are deemed to have purchased that power from DWR.
- b. Payment for any sale of DWR power is a direct obligation of customers to DWR.
- c. The payment obligation of customers for DWR charges is as billed by SDG&E under the same payment conditions as specified in Rule 9, Rendering and Payment of Bills.
- d. This Rule does not release customers of any obligations to SDG&E as defined in its Rules for the Sale of Electricity.

3. Metering And Meter Reading Services

SDG&E will perform necessary metering and meter reading services to provide DWR with accurate and timely billing services. SDG&E will perform these services consistent with its current rules and requirements as specified in Rule 9 and Rule 18, Meter Tests and Adjustment of Bills.

4. Access to Customer Data

- a. Individual customer data is deemed confidential.
- b. Information provided by SDG&E to DWR for billing purposes will be summarized at an aggregated level and individual customer data will not be released.

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RULE 26

BILLING AGENT SERVICES FOR DEPARTMENT OF WATER RESOURCES

A. General Terms (Continued)

5. Customer Credit Evaluation and Security Deposits

- a. SDG&E periodically performs customer credit evaluations and requires the customer to secure their SDG&E service account with a security deposit as specified in Rule 7, Deposits.
- b. SDG&E will include DWR charges as a part of its credit evaluation processes and security deposits shall include security for DWR charges.
- c. Upon the closing of a customer's service account, the security deposit will be applied to any unpaid customer charges on the customer's final bill on a pro-rata basis between SDG&E charges and DWR charges consistent with payment allocation in this Rule.

6. Customer Inquiries

- a. SDG&E will handle DWR customer inquiries.
- b. SDG&E will provide a comparable level of service to DWR customer inquiries as it provides to other billing-related SDG&E customer inquiries.
- c. DWR will provide SDG&E with the necessary information to explain DWR charges.
- d. SDG&E will use best efforts to satisfy all DWR inquiries without referral to DWR. Unsatisfied customers requesting a DWR contact will be referred to DWR based on a procedure prescribed by DWR.

7. Franchise Fees and Other Related Charges

Customers shall pay all applicable fees, surcharges and taxes as authorized by the law (Public Utilities Code Sections 6350 to 6354 and 401 to 410).

B. Bill Presentation

- 1. SDG&E will calculate and display DWR charges as a part of the customer's bill each month. DWR charges will be shown as a separate billing line item on the customer's bill. The information provided to customers regarding DWR charges will include at a minimum;
 - (1) The % of energy supplied by DWR
 - (2) The DWR Generation Rate as specified in Schedule EECC, Section 11, DWR Generation Rate
 - (3) DWR total charges
- 2. A separate billing line item will be used to display the amount of DWR charges. This billing line item will be titled "DWR Electric Energy Charges".
- 3. Additional information and details will be provided on the bill as necessary to allow customers to calculate DWR charges.

(Continued)



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BILLING AGENT SERVICES FOR DEPARTMENT OF WATER RESOURCES

B. Bill Presentation (Continued)

- 4. DWR charges will be defined as a part of the Electric Energy Charge definition on the back of the bill.
- 5. Franchise fees related to DWR supplied commodity will be charged to the customer as a separate billing line item titled "Franchise Fees On Electric Energy Supplied By Others". A definition for this billing line item will be included on the back of the bill.

C. Calculation of DWR Charges

SDG&E will use the following process to determine the amount of DWR charges on each customer's bill.

1. DWR Supplied Energy

First, the number of kWh used by the customer attributable to DWR supplied energy will be determined. To determine the kWh supplied by DWR, the customer's total electric consumption during the month will be multiplied by the percent DWR supplied energy (DWR Billing-Cycle percentage) as specified in Schedule EECC, Section 9, Development of DWR Supplied Energy Percentages.

2. DWR Charges

To calculate the dollar amount of DWR charges, the DWR Generation Rates as specified in Schedule EECC, Section 11, will be applied to the DWR kWh. The total amount of DWR charges resulting from this calculation will be shown on the bill as specified in Section B, Bill Presentation.

D. Rendering, Payment and Collection Terms

- 1. DWR charges will be rendered on SDG&E bills consistent with SDG&E's billing practices and rules as specified in Rule 9.
- 2. Payment services for DWR charges will be consistent with SDG&E payment practices as specified in Rule 9, including the Level Pay Plan.
- 3. If it becomes necessary for SDG&E to adjust or re-bill a service account which includes DWR charges, SDG&E will use consistent practices and rules as specified in Rule 18, Meter Tests and Adjustment of Bills.
- 4. SDG&E will process DWR payments in a timely manner and consistent with SDG&E payment processing practices.

(Continued)



RULE 26

BILLING AGENT SERVICES FOR DEPARTMENT OF WATER RESOURCES

E. Late or Partial Payments and Unpaid Bills

1. Partial payments by customers will be allocated pro-rata between the total amount owing on SDG&E gas and electric energy/service charges and DWR charges.
2. Customers can not direct how partial payments will be applied.
3. SDG&E is responsible for collecting the unpaid balance of all charges from the customer, sending notices informing customers of unpaid balances, and taking the appropriate action to recover the unpaid amounts owed to DWR.
4. Undisputed past due DWR balances owed will be subject to SDG&E late payment charges as defined in Rule 9.
5. CPUC rules will apply to late payments or non-payment of charges owed by the customer and as such, SDG&E will not be able to disconnect customer services for DWR charges.
6. SDG&E will follow its existing accounting practices associated with charging off unpaid closed service account balances. DWR will be informed of these amounts as a part of SDG&E reporting to DWR. If SDG&E receives a customer payment on a charged off account, it will process and allocate the payment pro-rata to remaining unpaid charges on the bill as defined in Section E (1).
7. SDG&E will use its best efforts to resolve customers' disputes concerning DWR charges.



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Advice Ltr. No. 1313-E

Decision No. 01-03-081

Issued by
William L. Reed
Vice President
Chief Regulatory Officer

Date Filed Apr 11, 2001

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