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October 21, 2008

ADVICE LETTER 1807-G
(U902-G)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: REVISION OF STANDBY PROCUREMENT RATE EFFECTIVE
SEPTEMBER 30, 2008**

San Diego Gas & Electric Company (SDG&E) hereby transmits for filing changes in its gas tariff schedules, as shown on the enclosed Attachment A.

PURPOSE

This monthly filing revises Schedule G-IMB, Transportation Imbalance Service and the Preliminary Statement, Part II, Statement of Rates, to establish the Core Retail and Noncore Retail Standby Procurement Rates effective September 30, 2008.

BACKGROUND

Effective February 11, 2003, the California Public Utilities Commission (Commission) approved SDG&E Advice Letter 1359-G which authorized SDG&E to file the Standby Procurement Rate, by separate advice letter, at least one day prior to the 25th of the following month.

The Commission authorized SDG&E to change its methodology for calculating its Standby Procurement Rate for negative monthly transportation imbalances that exceed the 10% tolerance band. The Standby Procurement Rate is:

1. Calculated at 150% of the highest daily border price index at the Southern California border for the period, plus the authorized Brokerage Fee of 0.188 cents per therm. The highest daily border price index is an average of the highest prices from "NGI's Daily Gas Price Index - Southern California Border Average" and "Gas Daily's Daily Price Survey - SoCal gas, Large pkgs Midpoint."
2. Calculated period begins on the first day of the "flow month"¹ and ends five days prior to the start of each corresponding imbalance-trading period.
3. Posted at least one day in advance of each corresponding imbalance-trading period.

¹ The flow month is the month that the imbalance is created.

Pursuant to SDG&E Advice Letter 1745-G², SDG&E is also revising its tariffs to update the Standby Procurement Rate for noncore retail service. This rate is derived using the same Commission approved calculation methodology as the Standby Procurement Rate for core retail service and includes the noncore retail Brokerage Fee.

For the flow month of September 2008 (covering the period September 1, 2008 to October 20, 2008), the highest daily border price index at the Southern California border is \$0.69575 per therm. The resultant Standby Procurement Rate, based on the calculation methodology set forth above is \$1.04551 per therm for core retail service and \$1.04551 per therm for noncore retail service. The workpaper detailing the calculation of these rates is included herein as Attachment B.

This filing will not create any deviations from SDG&E's tariffs, cause withdrawal of service from any present customers, or impose any more or less restrictive conditions.

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 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 (jnj@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: Todd Cahill
Regulatory Tariff Manager
8330 Century Park Court, Room 32C
San Diego, CA 92123-1548
Facsimile No. (858) 654-1788
E-mail: tcahill@SempraUtilities.com

EFFECTIVE DATE

SDG&E believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to GO 96-B. SDG&E hereby requests that the tariffs filed herein become **effective October 21, 2008**, the date filed, in order to comply with SDG&E's tariff requirement that the rates be posted at least one day in advance of the start of the imbalance trading period, which is September 25, 2008.

² SDG&E AL 1745-G was approved by letter from the Energy Division dated March 3, 2008 and modified Schedule G-IMB to establish the noncore retail standby rate and brokerage fee. Modifications to Schedule G-IMB were approved effective April 1, 2008.

NOTICE

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 either electronically or via the U.S. mail, properly stamped and addressed.

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

KEN DEREMER
Director – Tariffs & Regulatory Accounts

Enclosures
(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: Will Fuller

Phone #: (858) 654-1885

E-mail: wfuller@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) #: 1807-G

Subject of AL: Revision of Standby Procurement Rate Effective September 30, 2008

Keywords (choose from CPUC listing): Compliance, Standby Procurement

AL filing type: Monthly Quarterly Annual One-Time Other

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

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 AL¹: N/A

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

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 10/21/08

No. of tariff sheets: 4

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: See Table of Contents

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

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

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

Interested Parties

A.02-12-028
A.05-05-012
R.04-03-017

ATTACHMENT A
ADVICE LETTER 1807-G

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 17282-G	PRELIMINARY STATEMENT, II. STATEMENT OF RATES, Sheet 3	Revised 17260-G
Revised 17283-G	SCHEDULE G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 17252-G
Revised 17284-G	TABLE OF CONTENTS, Sheet 1	Revised 17249-G
Revised 17285-G	TABLE OF CONTENTS, Sheet 4	Revised 17271-G



San Diego Gas & Electric Company
San Diego, California

Revised Cal. P.U.C. Sheet No. 17282-G

Canceling Revised Cal. P.U.C. Sheet No. 17260-G

PRELIMINARY STATEMENT

Sheet 3

II. STATEMENT OF RATES

SCHEDULE GP-SUR

\$ per Therm

Gas Franchise Fee Surcharge (outside City of San Diego)	0.01404
Gas Franchise Fee Surcharge (City of San Diego)	0.02079

C. TRANSPORTATION OPTIONS

UNIT CHARGE

RATES

SCHEDULE G-IMB:

Core Retail Service:

Standby Procurement Rate (SP-CR):

August 31, 2008	\$/therm	1.26938
September 30, 2008	\$/therm	1.04551

Noncore Retail Service

Standby Procurement Rate (SP-NR):

August 31, 2008	\$/therm	1.26938
September 30, 2008	\$/therm	1.04551

Buyback Rate:

July 2008	\$/therm	0.61250
August 2008	\$/therm	0.43791
September 2008	\$/therm	0.09858

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Advice Ltr. No. 1807-G
Decision No. _____

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Oct 21, 2008
Effective Oct 21, 2008
Resolution No. _____



SCHEDULE G-IMB

TRANSPORTATION IMBALANCE SERVICE

RATES

Imbalance quantities remaining at the end of the designated imbalance trading period and which are outside of the 10% tolerance band will be billed at the Standby Procurement Charge or purchased by Utility at the Buy-Back Rate. Any Standby Procurement Charge or purchases at the Buy-Back Rate of core imbalances created by the Utility Gas Procurement Department will be managed within the Utility System Operator's Operational Hub Services. Such core imbalances will be disposed of with the net revenues from the core imbalance charges flowing back through the SoCalGas Noncore Fixed Cost Account (NFCA).

Standby Procurement Charge

This charge is applied to customer's cumulative negative transportation imbalance (confirmed transportation deliveries less actual usage) exceeding the 10 percent tolerance band. The Standby Procurement Charge is posted at least one day in advance of each corresponding imbalance trading period for noncore/wholesale and core transport agents (CTAs). It is calculated at 150% of the highest daily border price index at the Southern California Border beginning on the first day of the month that the imbalance is created to five days prior to the start of each corresponding imbalance trading period, plus the authorized Brokerage Fee of 0.188¢ per therm for noncore retail service and all wholesale service, and 0.188¢ per therm for core retail service. The highest daily border price index is an average of the highest prices from "NGI's Daily Gas Price Index Southern California Border Average" and "Gas Daily's Daily Price Survey SoCal gas, Large pkgs Midpoint".

Core Retail Service:

SP-CR Standby Rate, per therm

August 31, 2008	\$/therm	1.26938	D R
September 30, 2008	\$/therm	1.04551	

Noncore Retail Service:

SP-NR Standby Rate, per therm

August 31, 2008	\$/therm	1.26938	D R
September 30, 2008	\$/therm	1.04551	

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Sheet 1

The following sheets contain all the effective rates and rules affecting rates, service and information relating thereto, in effect on the date indicated herein.

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San Diego Gas & Electric Company
San Diego, California

Revised Cal. P.U.C. Sheet No. 17285-G

Canceling Revised Cal. P.U.C. Sheet No. 17271-G

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Advice Ltr. No. 1807-G

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Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Oct 21, 2008

Effective Oct 21, 2008

Resolution No. _____

San Diego Gas & Electric Company

ATTACHMENT B

ADVICE LETTER 1807-G

**RATE CALCULATION WORKPAPER
SCHEDULE NO. G-IMB STANDBY PROCUREMENT RATE FILING
EFFECTIVE September 30, 2008**

G-IMB Standby Procurement Rate Calculation

The highest daily border price index is an average of the highest prices from "NGI's Daily Gas Price Index - Southern California Border Average" and "Gas Daily's Daily Price Survey - SoCal gas, large pkgs Midpoint."

The highest daily border price index for the period was on September 1, 2008

08/05/08 NGI's Daily Gas Price Index (NDGPI) = \$0.6960 per therm

08/05/08 Gas Daily's Daily Price Survey (GDDPS) = \$0.6955 per therm

Highest Daily Border Price Index (HDBPI) = (NDGPI + GDDPS) / 2

HDBPI = \$0.69575 per therm

Standby Procurement Rate (Core Retail) = 150% x HDBPI + Core Brokerage

$$150\% \quad \times \quad 0.69575 \quad + \quad 0.00188 \quad = \quad \boxed{1.04551}$$

Standby Procurement Rate (Noncore Retail) = 150% x HDBPI + Noncore Brokerage Fee

$$150\% \quad \times \quad 0.69575 \quad + \quad 0.00188 \quad = \quad \boxed{1.04551}$$