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October 31, 2008

ADVICE LETTER 1811-G
(U902-G)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUBJECT: OCTOBER 2008 BUYBACK RATE

San Diego Gas & Electric Company (SDG&E) hereby submits for approval the following revisions to its gas tariffs as shown in the enclosed attachment.

PURPOSE

This monthly filing updates the Buy-Back Rate in SDG&E Schedule G-IMB, Transportation Imbalance Service, for October 2008.

DISCUSSION

Pursuant to Schedule G-IMB, as modified by SDG&E Advice Letter 1745-G¹, the Buy-Back Rate is established effective the last day of each month. The Buy-Back Rates will be the lower of 1) the lowest incremental cost of gas purchased by Utility during the month the imbalance was incurred; or 2) 50% of the applicable Adjusted Core Procurement Charge, G-CPA, set forth in SoCalGas Schedule No. G-CP², during the month such excess imbalance was incurred.

Schedule G-IMB has been revised to reflect a Buyback Rate of \$0.15500 per therm, effective October 31, 2008, which is the lowest incremental cost of gas purchased in the month of October. The workpaper detailing the calculation of this rate is included herein as Attachment B. Additionally, SDG&E will file the Standby Procurement Rate, by separate advice letter, at least one day prior to the 25th of the following month.

This filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

¹ SDG&E AL 1745-G was approved by letter from the Energy Division dated March 3, 2008. Modifications to Schedule G-IMB were approved effective April 1, 2008.

² The SoCalGas Adjusted Core Procurement Charge is revised to reflect SDG&E's authorized franchise fees and uncollectibles.

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 respectfully requests that the tariff sheets filed herein be made effective October 31, 2008, the last day of the month.

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

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) 654-1788 or by e-mail at SDG&ETariffs@semprautilities.com.

KEN DEREMER
Director – Tariffs & Regulatory Accounts

(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) #: 1811-G

Subject of AL: October 2008 Buyback Rate

Keywords (choose from CPUC listing): Gas Procurement, Cross-Over,

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: 10/31/08

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

CCSE

S. Freedman
J. Porter

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

OnGrid Solar

Andy Black

Pacific Gas & Electric Co.

J. Clark
M. Huffman
S. Lawrie
E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

R. W. Beck, Inc.

C. Elder

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

ATTACHMENT A
ADVICE LETTER 1811-G

| Cal. P.U.C. Sheet No. | Title of Sheet | Canceling Cal. P.U.C. Sheet No. |
|--------------------------|--------------------------------------------------------------|------------------------------------|
| Revised 17293-G | PRELIMINARY STATEMENT, II. STATEMENT OF RATES, Sheet 3 | Revised 17282-G |
| Revised 17294-G | SCHEDULE G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3 | Revised 17256-G |
| Revised 17295-G | TABLE OF CONTENTS, Sheet 1 | Revised 17291-G |
| Revised 17296-G | TABLE OF CONTENTS, Sheet 4 | Revised 17292-G |



San Diego Gas & Electric Company
San Diego, California

Revised Cal. P.U.C. Sheet No. 17293-G

Canceling Revised Cal. P.U.C. Sheet No. 17282-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:

| | | |
|----------------|----------|---------|
| August 2008 | \$/therm | 0.43791 |
| September 2008 | \$/therm | 0.09858 |
| October 2008 | \$/therm | 0.15500 |

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Advice Ltr. No. 1811-G
Decision No. _____

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Oct 31, 2008
Effective Oct 31, 2008
Resolution No. _____



SCHEDULE G-IMB

TRANSPORTATION IMBALANCE SERVICE

RATES (Continued)

Buy-Back Rate

This rate is applied to customer's cumulative positive transportation imbalance (confirmed transportation deliveries less actual usage) exceeding the 10 percent tolerance band. The Buy-Back Rate is established effective the last day of each month and will be the lower of 1) the lowest incremental cost of gas purchased by Utility during the month the excess imbalance was incurred; or 2) 50% of the applicable Adjusted Core Procurement Charge, G-CPA, set forth in SoCalGas Schedule No. G-CP, during the month such excess imbalance was incurred.

Retail Service:

BR-R Buy-Back Rate, per therm

| | | |
|----------------|----------|---------|
| August 2008 | \$/therm | 0.43791 |
| September 2008 | \$/therm | 0.09858 |
| October 2008 | \$/therm | 0.15500 |

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If the incremental cost of gas is the basis for the Standby or Buy-Back Rates, Utility will provide CPUC the necessary work papers for such cost. Such documentation will be provided under confidentiality pursuant to General Order 66-C and Section 583 of the Public Utilities Code.

Daily Balancing Standby Rates

During the winter operating period from November through March, customers are required to deliver (flowing supply and firm storage withdrawal) at a minimum of 50% of burn during a five-day period. Volumes not in compliance with the 50% five-day minimum delivery requirement are purchased at the daily balancing standby rate. The daily balancing standby rate is calculated as 150% of the highest Southern California Border price during the five-day period as published in "NGI's *Daily Gas Price Index*" including authorized franchise fees and, for retail customers, uncollectible expenses (F&U) and an authorized brokerage fee. Authorized F&U will not be added to any daily stand-by balancing charge for the Utility Gas Procurement Department to the extent it is collected elsewhere.

When the Utility System Operator's total inventory in storage declines to the "peak day minimum + 20 Bcf trigger", the minimum daily delivery requirement increases to 70%. The five-day period no longer applies. The daily balancing standby rate is 150% of the highest Southern California Border price per NGI's *Daily Gas Price Index* for the day (including F&U and brokerage fee) and is applied to each day's deliveries which are less than the 70% delivery requirement. Authorized F&U will not be added to any daily stand-by balancing charge for the Utility Gas Procurement Department to the extent it is collected elsewhere.

When the Utility System Operator's total inventory in storage declines to the "peak day minimum + 5 Bcf trigger", the minimum delivery requirement increases to 90% daily. Similar to the 70% regime, the five-day period no longer applies. The daily balancing standby rate is 150% of the highest Southern California Border price per NGI's *Daily Gas Price Index* for the day (including F&U and brokerage fee) and is applied to each day's deliveries which are less than the 90% delivery requirement. Authorized F&U will not be added to any daily stand-by balancing charge for the Utility Gas Procurement Department to the extent it is collected elsewhere.

(Continued)



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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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| Curtailment Penalty Funds Account (CPFA)..... | 15680-G | |
| California Alternate Rates for Energy (CARE) Balancing Account..... | 15681, 15682-G | |
| Natural Gas Vehicle (NGV) Adjustment Clause..... | 15683, 15684-G | |
| Gas Storage Balancing Account (GSBA)..... | 15685, 15686, 15687-G | |
| Core Interstate Transition Cost Surcharge Amount (CITCS)..... | 15688-G | |
| Research, Development and Demonstration (RD&D) Balancing Account..... | 15689, 15690, 15691-G | |
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San Diego Gas & Electric Company
San Diego, California

Revised Cal. P.U.C. Sheet No. 17296-G

Canceling Revised Cal. P.U.C. Sheet No. 17292-G

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| G-MHPS | Surcharge to Fund PUC Master-Metered Mobilehome Park Gas Safety Inspection and Enforcement Program..... | 11242-G |
| GP-SUR | Customer-procured Gas Franchise Fee Surcharge..... | 17268, 6859-G |
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Advice Ltr. No. 1811-G

Decision No. _____

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Oct 31, 2008

Effective Oct 31, 2008

Resolution No. _____

SDG&E ADVICE LETTER 1811-G
ATTACHMENT B
BUYBACK RATE CALCULATION
EFFECTIVE October 31, 2008

Adjusted Core Procurement Charge

SoCalGas Retail G-CPA: \$ 0.67772 per therm

(WACOG: \$0.66622 + Franchise and Uncollectibles: \$0.01150 or [1.7262% * \$0.66622])

Adjusted G-CPA: \$ 0.67821 per therm

(WACOG: \$0.66622 + SDG&E Franchise and Uncollectibles: \$0.01199 or [1.80% * \$0.66622])

G-IMB Buy-Back Rate

BUYBACK = Lower of 50% of Adjusted G-CPA or lowest incremental cost of gas purchased in October '08:

50% * \$0.67821 per therm = **\$0.33911** per therm

Lowest Incremental Cost of Gas (September) = **\$0.15500**

BUYBACK: \$0.15500 per therm