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August 26, 2009

**ADVICE LETTER 1882-G**  
(U 902-G)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: PUBLICATION OF SAN DIEGO GAS & ELECTRIC'S 2009 OPEN SEASON RESULTS**

San Diego Gas & Electric Company ("SDG&E") hereby submits for filing with the California Public Utilities Commission ("Commission") this publication of the results of the Open Season held for firm service contracts commencing or renewing after May 31, 2009 for customers served off the Rainbow Station (the Rainbow Corridor).

**PURPOSE**

This filing submits for publication the results of the above mentioned Open Season pursuant to Commission Decision (D.)06-09-039 which requires SDG&E to hold an Open Season in areas that are constrained or expected to soon be constrained and to publicize the results, as stated on page 63 of the decision:

"We will require that SoCalGas and SDG&E hold open seasons for firm capacity over those segments of the local transmission system which are experiencing or are expected to soon experience congestion, and that they publicize the results...If nominations exceed the available capacity, then our expectation is that the utility will promptly upgrade the system. If, even in the event that nominations exceed capacity, the utility declines to upgrade the system, it shall file a publicly available advice letter with the Commission explaining its decision"

**BACKGROUND**

In Rulemaking (R.)04-01-025<sup>1</sup>, SDG&E and Southern California Gas Company (SoCalGas) explained the interaction between demand on SoCalGas' Rainbow Corridor and the capacity of the SDG&E system. SDG&E has determined that due to SoCalGas increasing core demand and requests for firm service by noncore customers in the Rainbow Corridor, this can potentially negatively impact the capacity to the SDG&E system. Following D.06-09-039, the 2009 SDG&E Gas Open Season was held for firm service contracts commencing or renewing after May 31, 2009, concurrent with the Rainbow Corridor Open Season.

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<sup>1</sup> Prepared Direct Testimony of SoCalGas/SDG&E Witness David M. Bisi, page 16.

SDG&E's large customers were asked to bid their desired firm service requirements for five years, and the smaller customers were asked to bid for two-year term. All firm service requests were subject to use-or-pay obligations.

### **SDG&E Open Season Results**

SDG&E sent bid packages to 112 customers (representing a total of 180 service accounts) that are either currently noncore, noncore eligible or expected to be noncore eligible within the term of this Open Season. Of the 180 service accounts, 61 submitted bids for firm noncore service, 58 accounts elected or remained on core service, 14 accounts previously receiving firm service elected interruptible noncore service, 45 accounts previously receiving interruptible service chose to continue receiving interruptible service and 2 accounts that expected to become noncore-eligible during the 2-year period following this Open Season chose to wait until they are closer to being operational to make their decision.

SDG&E was able to award all customer bids for firm noncore service. It should be noted that some noncore customers within the potentially constrained Rainbow Corridor area elected interruptible service. In the event these customers operate on a peak demand day, the risk of interruptible service curtailment exists.

The actual capacity of the SDG&E system and SoCalGas' Rainbow Corridor is dependent upon the location of demand on both systems. Based on the level of core demand on the SDG&E system and in the Rainbow Corridor, the current capacity of the SDG&E/Rainbow Corridor system is 725 MMcf in the winter operating season and 670 MMcf in the summer operating season.<sup>2</sup> This capacity was made available to both SDG&E customers and SoCalGas Rainbow Corridor customers during the Open Seasons. As a result, potential firm peak demand (core and noncore) is 677 MMcf in the winter (596 MMcf on the SDG&E system, 81 MMcf on the Rainbow Corridor) and 489 MMcf in the summer (444 MMcf on the SDG&E system, 45 MMcf on the Rainbow Corridor), resulting in excess capacity during the summer and winter operating seasons.

Based on the results of the Open Season described above and SDG&E's analysis of likely firm demand, SDG&E has determined that its existing infrastructure is adequate to meet the core and firm noncore gas service requirements and no expansions or equivalent contractual arrangements are needed at this time.

Pursuant to SDG&E's Gas Rule 25, Section H, if the Commission agrees that an expansion of SDG&E's system is not needed; SDG&E hereby requests Commission approval to reduce the contract term for large customers' contracts from five years to two years, consistent with contracts for small customers. Rule 25, Section H states:

"For large noncore customers, the term for firm service shall be the earlier of (a) two (2) years beyond the in-service date of facilities associated with the expansion of local transmission service or (b) five (5) years. For small noncore customers, the term is two years. In the event all requests for firm noncore capacity can be awarded without proration and the Utility does not plan to expand the local transmission system within the five-year contract period, the Utility will inform the Commission. **Upon Commission agreement that there is no need to**

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<sup>2</sup> Figures exclude capacity reserved for an operating margin

**construct additional facilities within the five-year contract period, the Utility shall amend the five-year contracts to expire after two years, consistent with the term for small customers.”** (emphasis added)

This filing does not conflict with any rate schedules or any other rules, or cause the withdrawal of service.

### **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 Honesto Gatchalian ([ijnj@cpuc.ca.gov](mailto:ijnj@cpuc.ca.gov)) and Maria Salinas ([mas@cpuc.ca.gov](mailto: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, CP 32C  
San Diego, CA 92123-1550  
Facsimile No. (858) 654-1748  
E-mail: [MCaulson@semprautilities.com](mailto:MCaulson@semprautilities.com)

### **EFFECTIVE DATE**

SDG&E believes that approval of this advice letter does not require a resolution to be issued by the Commission; however, the Commission may determine that a resolution is warranted in this case.

SDG&E respectfully requests that this advice letter be approved on or after September 25, 2009, which is 30 days after the date filed, or on such later date the Commission may direct by resolution.

**NOTICE**

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties in R.04-01-025, 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 Tariffs by facsimile at (858) 654-1788 or by e-mail at [SDG&ETariffs@semprautilities.com](mailto:SDG&ETariffs@semprautilities.com).

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RON VAN DER LEEDEN  
Director – Rates, Revenues & Tariffs

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: 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) #: 1882-G

Subject of AL: Publication of San Diego Gas & Electric 2009 Open Season Results.

Keywords (choose from CPUC listing): Compliance, Capacity, Contracts, Non-core

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

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

D.06-09-039

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 AL<sup>1</sup>: N/A

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

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: 9/25/09

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: N/A

Service affected and changes proposed<sup>1</sup>: 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: Megan Caulson**

**8330 Century Park Ct, Room 32C**

**San Diego, CA 92123**

**mcaulson@semprautilities.com**

<sup>1</sup> 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

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Energy Division

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Pacific Utility Audit, Inc.

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R. W. Beck, Inc.

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School Project for Utility Rate Reduction

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Interested Parties

R.04-01-025