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May 7, 2007

ADVICE LETTER 1895-E
(U902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUBJECT: Establishment of Schedule PVPC; Photovoltaic Purchase and Credit.

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

PURPOSE

This filing establishes Schedule Photovoltaic Purchase and Credit (PVPC), which permits owners of Affordable Housing Multi Family Accommodations the option to provide their tenants with benefits equivalent to those derived from Net Metering, while avoiding the substantial cost of installing individual photovoltaic generators to serve each tenant.

DISCUSSION

The California Solar Initiative (CSI) has allocated close to \$30 million to provide incentives for solar photovoltaic installations in new affordable housing construction. Presently to participate in Net Metering, developers and owners of new low income multi family accommodations must install a photovoltaic (PV) generator, generator output meter, and wiring to each tenant. The substantial cost associated with multiple installations may dissuade affordable housing multi family accommodation developers and owners (Owners) from participating in CSI and realizing the benefits offered from photovoltaic installations and CSI incentives.

To help mitigate costs and attract PV installation for new affordable housing for lower income tenants, SDG&E has created Schedule PVPC to help facilitate the installation of PV generators in lower income settings. Under Schedule PVPC, tenants of a lower income multi family unit will receive an allocation of the value of the output from a PV generator based on allocation factors that the Owner provides (Newly Created Form 142-02767, titled Photovoltaic Generation Credit Allocation Request Form). The power from the PV generator will be sold to the Utility on the condition that a credit will be applied to the low income tenants or common use areas of the complex. The credit is applied at a Purchase Rate equal to what customers qualified for the California Alternate Rates for Energy (CARE) program would, on average, pay for energy. This rate will be updated as the applicable CARE rate changes. On a monthly basis, the total credit amount calculated will be allocated based on percentages provided in advance by the Owner. The allocated credits will then be applied to the qualified customers' monthly billing up to the limitations that Net Metering provides.

The following key elements contained in the tariff enable SDG&E to effectively implement Schedule PVPC:

1. Monthly credits from generation are not applied until the subsequent month.
This delay in the application of credits provides SDG&E with sufficient time to read and validate the generator meter before applying the credits. Factors such as lack of access, broken meters, and other logistical problems can impede SDG&E's ability to read generator meters and process its normal revenue bills in a timely manner. The one month delay mitigates the effect of these problems on SDG&E's billing system.
2. Credits will not to be carried over from month to month.
Clearing credits on a monthly basis allows SDG&E to avoid the complexity of determining carry over amounts for multiple accounts, which may be tied to multiple generator output meters. The determination of carry over amounts is further complicated by tenant turnover.
3. Owners can only adjust their allocation factors once a year.
SDG&E has limited the frequency that Owners may adjust their allocation factors in order to ensure billing accuracy. An annual adjustment will enable SDG&E to verify that the Owner's allocation factors comply with the criteria set forth in Schedule PVPC and confirm that all necessary data is available for entry into its billing system prior to the billing of all customers.

Schedule PVPC is optional. Owners may participate if they decide it is in their best interest. SDG&E anticipates that there will be a handful of new low income multi family accommodations connecting to its system each year. With an estimated 50 new tenants per accommodation, this tariff proposal is expected to affect 100-250 new tenants a year.

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

EFFECTIVE DATE

SDG&E believes that this filing is subject to Energy Division disposition, and therefore respectively requests that this advice letter be approved June 6, 2007, thirty days from 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 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 (jni@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, including interested parties to service list R.06-03-004, 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**

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) #: 1895-E

Subject of AL: Establishment of Schedule PVPC; Photovoltaic Purchase and Credit

Keywords (choose from CPUC listing): Photovoltaic, Net Metering, Low Income, Multi Family Accommodations

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

Resolution Required? Yes No

Requested effective date: 6/6/07 No. of tariff sheets: 7

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 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

jjr@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-A, Sec. III. G.
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

D. Appling
S. Cauchois
J. Greig
R. Pocta
W. Scott

Energy Division

W. Franklin
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
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CP Kelco

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Davis Wright Tremaine, LLP

E. O'Neill
J. Pau

Dept. of General Services

C. Torres
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

J. Perez

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties

R.06-03-004

ATTACHMENT
ADVICE LETTER 1895-E

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Original 20027-E	SCHEDULE PVPC, PHOTOVOLTAIC PURCHASE AND CREDIT, Sheet 1	
Original 20028-E	SCHEDULE PVPC, PHOTOVOLTAIC PURCHASE AND CREDIT, Sheet 2	
Original 20029-E	SCHEDULE PVPC, PHOTOVOLTAIC PURCHASE AND CREDIT, Sheet 3	
Original 20030-E	SAMPLE FORMS, Form 142-02767, Sheet 1	
Revised 20031-E	TABLE OF CONTENTS, Sheet 1	Revised 20025-E
Revised 20032-E	TABLE OF CONTENTS, Sheet 6	Revised 19942-E
Revised 20033-E	TABLE OF CONTENTS, Sheet 10	Revised 19926-E



SCHEDULE PVPC

PHOTOVOLTAIC PURCHASE AND CREDIT

SPECIAL CONDITIONS (Continued)

3. Affordable Housing Multi-Family Accommodations: (Continued)

an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or at an affordable rent, as defined in Section 50053 of the Health and Safety Code for a period of at least 30 years.

4. Qualified Customer: Is a customer that meets all of the following criteria

- a) Is a lower income tenant as defined in Section 50079.5 of the Health and Safety Code.
- b) Is located on the same property as the Owner's eligible customer-generator not subdivided by governmental or private right of way nor by property owned by anyone other than the Owner.
- c) Is taking bundled service where the customer receives supply and delivery service solely from the Utility.
- d) Is located within the same governmental agency's territory as the Owner's eligible customer-generator.
- e) Is within a geographic area such that the Utility is subject to the same tax rate as would apply to where the generator resides.
- f) Is receiving service on a rate schedule that would be applicable to a similar customer receiving service in combination with Net Energy Metering.

5. Owner: The Enterprise, or Entity, that owns the Affordable Housing Multi-Family Accommodation.

6. Generator Connection Responsibility: To be eligible for service the Owner shall have an effective interconnection agreement with the Utility and a Photovoltaic Generation Credit Allocation Request Form submitted to the Utility. In addition the Owner shall have paid all costs associated with the utility installing a generator output meter capable of recording in 15 minute increments, any wiring, trenching, conduit, or other facility costs incurred by the Utility to interconnect with the Owner's generator adjusted based on Rule 2 factors for a one-time payment. The location(s) of the customer's generator output metering equipment shall be approved by the Utility, and will normally be grouped with the service and metering equipment for one, or more, of the tenant or house meters.

7. Photovoltaic Generation Credit Allocation Request Form: A form completed by the Owner that designates how the Gross Credit, as defined in SC 9c., will be allocated among the Qualified Customers and common use of the complex. The Owner-designated allocations shall be effective for a minimum of twelve months. The Owner may submit an updated form at any time thereafter. Such adjustments must also remain effective for at least twelve months. The Photovoltaic Generation Credit Allocation Request Form shall be submitted to the Utility at least 15 days prior to receiving service under this schedule; subsequent reallocations will take at least 15 days to become effective.

8. Minimum Allocation to Qualified Customer: The Photovoltaic Generation Credit Allocation Request Form must provide for the allocation of at least 70% of the Gross Credit Amount to lower income customers receiving service on a residential rate schedule; the remaining credit must be allocated to utility meters for common use areas of the Affordable Housing Multi-Family Accommodation.

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2P25

Issued by

Date Filed

May 7, 2007

Advice Ltr. No. 1895-E

Lee Schavrien

Effective

Decision No.

Senior Vice President
Regulatory Affairs

Resolution No.

N
N
N
N
N



San Diego Gas & Electric Company
San Diego, California

Original Cal. P.U.C. Sheet No. 20030-E

Canceling _____ Cal. P.U.C. Sheet No. _____

SAMPLE FORMS

Sheet 1

Form 142-02767

Photovoltaic Generation Credit Allocation Request Form

(05/07)

(See Attached Form)

N

N

N

1P10

Advice Ltr. No. 1895-E

Decision No. _____

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed May 7, 2007

Effective _____

Resolution No. _____

**Photovoltaic Generation Credit
Allocation Request Form**

A. This Photovoltaic Generation Credit Allocation Request Form ("Request") is for use in combination with San Diego Gas & Electric Company's Schedule PVPC.

B. This Request is being completed by:

1. Business or Company Name:

2.

Business or Company Address:

3.

Business or Company Phone Number:

4.

Name of Individual Filling out this Form:

C. I request that all credits that may be available as a result of the application of the rates and terms of Schedule PVPC be applied in the following percentages to the Qualified Customers responsible for bills for the locations¹ and the common use area(s) of the complex, all meeting the terms set forth in Schedule PVPC, identified below:

Percentage	Qualified Customer Identification (Location/Address)
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>

D. Attached is/are _____ (number of sheets) sheets extending the above list to more Qualified Customers. Each attached sheet is signed by the undersigned and dated with today's date.

E. I represent that the forgoing is the percentage allocation of the photovoltaic generation credits that this company wants to take effect at the start of the first billing period 15 days, or more, hereafter. Moreover, I understand that this allocation and subsequent reallocations shall remain in effect for a minimum of twelve months. I also understand that this company will not receive any feedback from SDG&E regarding how much of the credits were used by each Qualified Customer absent appropriate releases from each customer (that I must obtain at least annually) and a separate agreement with SDG&E.

 (Signature)

 (Date)

¹ At least 70% of available credit must be allocated among the Qualified Customers; remaining credit must be allocated to utility meters for common use areas of the Affordable Housing Multi Family Accommodation.



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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. 20032-E

Canceling Revised Cal. P.U.C. Sheet No. 19942-E

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Advice Ltr. No. 1895-E
Decision No. _____

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed May 7, 2007
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Sheet 10

SAMPLE FORMS

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(Continued)

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Issued by

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