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January 5, 2010

Advice No. 1909-G-A
(U 904 G)

Public Utilities Commission of the State of California

Subject: Partial Supplement SDG&E Advice Letter 1909-G: D.09-11-006 - Biennial Cost Allocation Proceeding (BCAP) Phase 2 Settlement Implementation

San Diego Gas & Electric (SDG&E) hereby submits for filing revisions to its tariffs, applicable throughout its service territory, as shown on Attachment B. Southern California Gas Company (SoCalGas) is concurrently making a similar filing for changes in its applicable tariffs associated with the implementation of Decision (D.) 09-11-006.

Purpose

This partial supplemental filing is in response to the December 28, 2009 limited protest of Shell Energy North America (US), L.P. (Shell Energy), regarding SDG&E's Advice Letter (AL) 1909-G, dated December 8, 2009.

AL 1909-G was filed in compliance with Ordering Paragraph 4 of D. 09-11-006, Opinion Regarding the Settlement of the Phase Two Issues, ordering SDG&E and SoCalGas to file a Tier 2 advice letter to implement and carry out the terms and conditions of the Settlement Agreement, and to present the necessary tariff revisions.

Background

In D.09-11-006, the Commission directed SDG&E to "clarify its Rule 30(D)(4) to allow a firm storage capacity holder to bump interruptible storage capacity through all five nomination cycles."¹ In accordance with this direction, SDG&E proposed the following language in AL 1909-G:

Firm rights can "bump" interruptible scheduled quantities in [the] Intraday 3 cycle to accommodate confirmations of

¹ D.09-11-006, OP4(b)

customers' unused pro rata shares of the available firm capacity.

SDG&E believes that its proposed language meets the intent of the Commission in D.09-11-006, however Shell Energy claims that this proposed language, "improperly imposes a condition that would limit bumping in the fifth nomination cycle to circumstances in which bumping would accommodate confirmations of customers' unused pro rata shares of available firm capacity,"² which they claim is inconsistent with D.09-11-006.

Shell Energy proposes that the above language be deleted and that SDG&E comply with the directive of D.09-11-006 by simply replacing "Intraday 2 cycle" with "Intraday 3 cycle" in the third bullet point of Rule 30(D)(4). Shell Energy proposes that the revised tariff language read:

Firm rights can "bump" interruptible scheduled quantities through the Intraday 3 cycle.

SDG&E does not believe that Shell Energy's proposed language is necessary to provide customer access to total firm storage capacity, and in fact, could be interpreted in a way that would have the opposite effect on the firm capacity available in Cycle 5. The additional language proposed by SDG&E in AL 1909-G was intended to provide more detail to the shipper on what it can expect to receive and allow it the ability to calculate the minimum amount of firm contracted capacity that will be available to them in Cycle 5.

Notwithstanding the above points, SDG&E believes the proposed language of Shell Energy is acceptable and can be adopted to ensure AL 1909-G is adopted in a timely manner to ensure a February 1st implementation date. Therefore, the aforementioned proposed language is removed and the single change proposed by Shell Energy to the third bullet point of Rule 30 (D) (4) is incorporated herein on the revised Sheet 4 of Rule 30 as shown in Attachment B.

Protest

Anyone may protest this Advice Letter to the 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 of this Advice Letter. 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 Maria Salinas (mas@cpuc.ca.gov) and Honesto Gatchalian (jnj@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.

² Shell Protest, Page 2.

Attn: Megan Caulson
Regulatory Tariff Manager
8330 Century Park Court, Room 32C
San Diego, CA 92123-1548
Facsimile No. (858) 654-1788
E-mail: mcaulson@semprautilities.com

Effective Date

SDG&E believes that this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. SDG&E respectfully requests that this filing be approved concurrently with AL 1909-G, with an effective date of February 1, 2010 consistent with D.09-11-006 and the Settlement Agreement which state that the rates shall go into effect the later of (i) January 1, 2010 or (ii) the first day of the month that is at least 60 days from the date of Commission approval of the Settlement Agreement.

Notice

A copy of this partial supplemental advice letter is being sent to the parties listed on Attachment A, which includes the service list for A.08-02-001.

RON VAN DER LEEDEN
Director – Rates, Revenues & Tariffs

(cc list enclosed)
Attachments

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: Megan Caulson

Phone #: (858) 654-1748

E-mail: mcaulson@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) #: 1909-G-A

Subject of AL: Supplemental Advice Letter -- Implementation of SDG&E's Biennial Cost Allocation Proceeding (BCAP) Phase 2 Settlement per Decision (D.) 09-11-006

Keywords (choose from CPUC listing): BCAP

AL filing type: Monthly Quarterly Annual One-Time Other _____

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

D.09-11-006

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: N/A

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 2/1/10

No. of tariff sheets: 1

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: Rule 30 and Table of Contents

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: 1851-G, 1851-G-A, 1890-G & 1908-G

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

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

Interested Parties

A.08-02-001

ATTACHMENT A
ADVICE LETTER 1909-G-A

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 17997-G	RULE 30, TRANSPORTATION OF CUSTOMER-PROCURED GAS, Sheet 4	Revised 16805-G
Revised 17998-G	TABLE OF CONTENTS, Sheet 1	Revised 17994-G
Revised 17999-G	TABLE OF CONTENTS, Sheet 5	Revised 17770-G



RULE 30

Sheet 4

TRANSPORTATION OF CUSTOMER-PROCURED GAS

D. Operational Requirements (Continued)

3. Receipt Point Capacity (Continued)

The Utility System Operator will accept scheduled volumes for each Receipt Point from the upstream interconnecting pipeline or operator to the maximum operating capacity of that individual point. The maximum operating capacity is defined as the facility design or contractual limitation to deliver gas into the Utility System Operator's system adjusted for operational constraints (i.e. maintenance, localized restrictions, upstream delivery pressures) as determined each day.

4. Storage Service Capacity

Each day, storage injection and withdrawal capacities will be set at their physical operating maximums under the operating conditions for that day and posted on the Utility System Operator's EBB. The Utility System Operator will use the following rules to limit the nominations to the storage maximums.

- Nominations using Firm rights will have first priority, pro-rated to the available firm capacity.
- All other Nominations using Interruptible rights will have second priority, pro-rated if over-nominated based on the daily volumetric price paid.
- Firm rights can "bump" interruptible scheduled quantities through the Intraday 3 cycle.

Notice to the bumped parties will be provided via the Transactions module in EBB. Bumping is subject to the NAESB elapsed pro rata rules.

5. Off-System Delivery Service

For each flow date, the Utility System Operator will determine if interruptible capacity is available for off-system deliveries. Such service will use the available displacement of forward haul flowing supplies. For each nomination cycle, Utility customers who have contracted with the Utility for off-system delivery service may submit a nomination for such service pursuant to rate G-OFFI, as contained in SoCalGas Schedule G-OSD, for deliveries to PG&E Points.

Scheduling of Off-System Delivery Services will be pro rata within each scheduling cycle whenever the available off-system capacity is less than the off-system confirmations.

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Advice Ltr. No. 1909-G-A

Decision No. _____

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Jan 5, 2010

Effective Feb 1, 2010

Resolution No. _____

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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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Advice Ltr. No. 1909-G-A

Decision No. _____

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Jan 5, 2010

Effective _____

Resolution No. _____



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