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November 15, 2007

ADVICE LETTER 1943-E
(U 902 E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: REQUEST FOR EXPEDITED APPROVAL TO TRANSFER UNSPENT
PROGRAM FUNDS TO ASSIST CUSTOMERS WHOSE HOMES WERE
DESTROYED BY THE OCTOBER 2007 FIRES**

PURPOSE

San Diego Gas & Electric Company (SDG&E) requests approval from the California Public Utilities Commission (Commission) to transfer unspent 2003 Rebuild-A-Greener San Diego (Rebuild Program) program funds to provide incremental incentives for Photovoltaic (PV) to be installed on residential structures lost or heavily damaged by the wildfires of October 2007. More specifically, SDG&E requests the authority to transfer the unspent \$2.2 million from the 2003 Rebuild-A-Greener San Diego program¹ and increase PV incentive levels available to fire victims who design to the new residential Advanced Home Program (AHP) Tier 2 level and install PV systems in accordance with the requirements of the New Homes Solar Partnership (NSHP) program. These enhanced PV incentives are a component of a larger assistance program SDG&E will be implementing for fire victims of the October 2007 fires that combines higher incentives under the existing Advanced Home Program, higher incentives for PV under NSHP, and increased education and outreach efforts to inform fire victims of their options. SDG&E proposes that the fire assistance program remain in effect until 2012 to allow adequate time for homeowners to participate and rebuild.

Due to SDG&E's desire to reach as many fire victims as quickly as possible, SDG&E requests the Commission grant a shortened protest period of ten (10) days from the date of this Advice Letter, and the changes requested herein become effective immediately upon the expiration of the shortened protest period, in the event that there are no protests filed. Should any party file a protest to this Advice Letter, SDG&E requests that the changes requested herein become effective as quickly as the Commission deems appropriate.

¹ SDG&E's Advice Letter 1540-E/1414-G regarding the 2003 Rebuild Program was approved by Res. E-3860.

BACKGROUND

The recent wildfires experienced in the City and County of San Diego destroyed approximately 1,650 homes. Customers will begin the difficult task of rebuilding homes in SDG&E's service territory. SDG&E proposes to provide additional support to residential property owners whose structures were destroyed or severely damaged by the recent wildfires by encouraging the incorporation of energy efficiency and sustainable design in their new homes whenever possible.

Based on lessons learned from the firestorms which occurred in October of 2003, it is critical that the programs/services meet the immediate needs of the participants who are focused on replacing their homes, with as few complications as possible. SDG&E discovered in the aftermath of the 2003 fires that the building industry, from architects and builders to the City Building Departments, were under considerable pressure to avoid unnecessary construction delays and were therefore reluctant to embrace any new technical requirements beyond the building code. For the 2007 undertaking to be effective, it will need to be launched within the next few weeks and will need to quickly reach the homeowners impacted by the fires, the builders that will assist them, and other members of the design community. Without this outreach effort and the enhanced incentives, SDG&E believes these homes will be constructed with minimal or no effort to exceed Title 24 standards.

DESCRIPTION OF NSHP PROGRAM INCENTIVE ENHANCEMENTS AND FUNDING

SDG&E has contracted with the California Energy Commission to administer the NHSP in SDG&E's service territory. Currently, the program offers \$2.60/watt for a 3600w PV system, which equates to approximately \$9,360 in incentives for the typical homeowner. SDG&E proposes in this Advice Letter to increase the incentive to \$4/watt for those customers who design to the new residential AHP Tier 2 level and install PV in accordance with the requirements of the NSHP program.

The proposed source of funding for these increased incentives is unspent funds from the 2003 Rebuild Program. The 2003 Rebuild Program currently has 12 participating customers who will be submitting their final claim documentation shortly. Once these claims are submitted and paid, approximately \$2.2 million will remain unspent in the Rebuild Program. SDG&E requests that the \$2.2 million in unspent Rebuild Program funding be transferred to NSHP and applied to this effort to fund the increased incentives for installing PV.

A table summarizing the level of incentives SDG&E proposes be made available to individuals impacted by the fires and participating in the Tier 2 AHP and NSHP programs is provided in Attachment A.

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 become effective on November 25, 2007, subject to Energy Division review.**

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 received within 10 (ten) days of the date this advice letter was filed with the CPUC.** There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

Energy Division
Attention: Tariff Unit
505 Van Ness Avenue, Room 4002
San Francisco, CA 94102

Copies 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. It is also requested that a copy of the protest be sent via electronic mail and facsimile to SDG&E on the same date it is mailed or delivered to the CPUC (at the address shown below).

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 in R.06-04-010 and A.05-06-006, et al, 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 to SDG&ETariffs@semprautilities.com.

Ken Deremer
Director - Tariffs & Regulatory Accounts

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: Margee Moore

Phone #: (858) 654-1748

E-mail: mmoore@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) #: 1943-E

Subject of AL: Request for Expedited Approval to Transfer Unspent Program Funds to Assist Customers Whose Homes were Destroyed by the October 2007 Fires

Keywords (choose from CPUC listing): Energy Efficiency

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: _____

Resolution Required? Yes No

Requested effective date: 11/25/07 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: None

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: None

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-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 in:

A.05-06-006, et al
R.06-04-010

ATTACHMENT A

Summary of the Current and Proposed AHP and NSHP Incentive Levels

| | Current AHP Incentive Level | Proposed AHP Incentive for 2007 Firestorm Victims | Current NSHP Incentive Level | Proposed NSHP 2007 Firestorm Victims |
|---|--|--|---|---|
| Tier 2 EE Level with PV installation per NSHP requirements (assumes \$2.60/w to \$4.00/w, 3600w PV) | \$2000/home | \$5040/home owner | \$2.60/watt | \$4/watt |