

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



July 6, 2010

**Advice Letter 1950-G**

Rasha Prince, Director  
Regulatory Affairs  
San Diego Gas and Electric  
8330 Century Park Court, CP32C  
San Diego, CA 92123-1548

**Subject: April 2010 Standby Procurement Rate**

Dear Mr. Prince:

Advice Letter 1950-G is effective May 21, 2010.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director  
Energy Division



Clay Faber  
Director  
Regulatory Affairs  
8330 Century Park Court  
San Diego, CA 92123-1548

Tel: 858.654.3563  
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May 21, 2010

**ADVICE LETTER 1950-G**  
(U902-G)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: APRIL 2010 STANDBY PROCUREMENT RATE**

San Diego Gas & Electric Company (SDG&E) hereby transmits for filing changes in its gas tariff schedules, as shown on the enclosed Attachment A.

**PURPOSE**

This monthly filing revises Schedule G-IMB, Transportation Imbalance Service and the Preliminary Statement, Part II, Statement of Rates, to establish the Core Retail and Noncore Retail Standby Procurement Rates effective for the flow month of April 2010.

**BACKGROUND**

Effective February 11, 2003, the California Public Utilities Commission (Commission) approved SDG&E Advice Letter 1359-G which authorized SDG&E to file the Standby Procurement Rate, by separate advice letter, at least one day prior to the 25<sup>th</sup> of the following month.

The Commission authorized SDG&E to change its methodology for calculating its Standby Procurement Rate for negative monthly transportation imbalances that exceed the 10% tolerance band. The Standby Procurement Rate is:

1. Calculated at 150% of the highest daily border price index at the Southern California border for the period, plus the authorized Brokerage Fee of 0.188 cents per therm. The highest daily border price index is an average of the highest prices from "NGI's Daily Gas Price Index - Southern California Border Average" and "Gas Daily's Daily Price Survey - SoCal gas, Large pkgs Midpoint."
2. Calculated period begins on the first day of the "flow month"<sup>1</sup> and ends five days prior to the start of each corresponding imbalance-trading period.
3. Posted at least one day in advance of each corresponding imbalance-trading period.

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<sup>1</sup> The flow month is the month that the imbalance is created.

Pursuant to SDG&E Advice Letter 1745-G<sup>2</sup>, SDG&E is also revising its tariffs to update the Standby Procurement Rate for noncore retail service. This rate is derived using the same Commission approved calculation methodology as the Standby Procurement Rate for core retail service and includes the noncore retail Brokerage Fee.

For the flow month of April 2010 (covering the period April 1, 2010 to May 20, 2010), the highest daily border price index at the Southern California border is \$0.42600 per therm. The resultant Standby Procurement Rate, based on the calculation methodology set forth above is \$0.64051 per therm for core retail service and \$0.64051 per therm for noncore retail service. The workpaper detailing the calculation of these rates is included herein as Attachment B.

This filing will not create any deviations from SDG&E's tariffs, cause withdrawal of service from any present customers, or impose any more or less restrictive conditions.

### **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 no later than June 10, 2010, which is 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](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, Room 32C  
San Diego, CA 92123-1548  
Facsimile No. (858) 654-1788  
E-mail: [mcaulson@semprautilities.com](mailto:mcaulson@semprautilities.com)

### **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 hereby requests that the tariffs filed herein become **effective May 21, 2010**, the date filed, in order to comply with SDG&E's tariff requirement that the rates be posted at least one day in advance of the start of the imbalance trading period, which is May 25, 2010.

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<sup>2</sup> SDG&E AL 1745-G was approved by letter from the Energy Division dated March 3, 2008 and modified Schedule G-IMB to establish the noncore retail standby rate and brokerage fee. Modifications to Schedule G-IMB were approved effective April 1, 2008.

**NOTICE**

A copy of this filing has been served on the utilities and interested parties shown on the attached list 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's Tariffs by facsimile at (858) 654-1788 or by e-mail at SDG&ETariffs@semprautilities.com.

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CLAY FABER  
Director – Regulatory Affairs

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: Christina Sondrini

Phone #: (858) 636-5736

E-mail: csondrini@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) #: 1950-G

Subject of AL: April 2010 Standby Procurement Rate

Keywords (choose from CPUC listing): Compliance, Standby Procurement

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

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

Resolution Required?     Yes     No

Tier Designation:     1     2     3

Requested effective date: 5/21/10

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: Preliminary Statement, Schedule G-IMB and TOC

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

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

City of Poway

R. Willcox

City of San Diego

J. Cervantes

G. Lonergan

M. Valerio

Commerce Energy Group

V. Gan

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

Godin, 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

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

1.86-06-005

1.00-08-003

A.96-03-017

ATTACHMENT A  
ADVICE LETTER 1950-G

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 18250-G	PRELIMINARY STATEMENT, II. STATEMENT OF RATES, Sheet 3	Revised 18201-G
Revised 18251-G	SCHEDULE G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 18189-G
Revised 18252-G	TABLE OF CONTENTS, Sheet 1	Revised 18247-G
Revised 18253-G	TABLE OF CONTENTS, Sheet 4	Revised 18213-G



San Diego Gas & Electric Company  
San Diego, California

Revised Cal. P.U.C. Sheet No. 18250-G

Canceling Revised Cal. P.U.C. Sheet No. 18201-G

**PRELIMINARY STATEMENT**

Sheet 3

II. STATEMENT OF RATES

**SCHEDULE GP-SUR**

\$ per Therm

Gas Franchise Fee Surcharge (outside City of San Diego)	\$0.00883
Gas Franchise Fee Surcharge (City of San Diego)	\$0.01313

C. TRANSPORTATION OPTIONS

UNIT CHARGE

RATES

**SCHEDULE G-IMB:**

Core Retail Service:

Standby Procurement Rate (SP-CR):

March 2010	\$/therm	0.73726
April 2010	\$/therm	0.64051

Noncore Retail Service

Standby Procurement Rate (SP-NR):

March 2010	\$/therm	0.73726
April 2010	\$/therm	0.64051

Buyback Rate:

February 2010	\$/therm	0.29362
March 2010	\$/therm	0.20699
April 2010	\$/therm	0.22038

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3H9  
Advice Ltr. No. 1950-G  
Decision No. \_\_\_\_\_

Issued by  
**Lee Schavrien**  
Senior Vice President  
Regulatory Affairs

Date Filed May 21, 2010  
Effective May 21, 2010  
Resolution No. \_\_\_\_\_



**SCHEDULE G-IMB**

Sheet 2

TRANSPORTATION IMBALANCE SERVICE

RATES

Imbalance quantities remaining at the end of the designated imbalance trading period and which are outside of the 10% tolerance band will be billed at the Standby Procurement Charge or purchased by Utility at the Buy-Back Rate. Any Standby Procurement Charge or purchases at the Buy-Back Rate of core imbalances created by the Utility Gas Procurement Department will be managed within the Utility System Operator's Operational Hub Services. Such core imbalances will be disposed of with the net revenues from the core imbalance charges flowing back through the SoCalGas Noncore Fixed Cost Account (NFCA).

Standby Procurement Charge

This charge is applied to customer's cumulative negative transportation imbalance (confirmed transportation deliveries less actual usage) exceeding the 10 percent tolerance band. The Standby Procurement Charge is posted at least one day in advance of each corresponding imbalance trading period for noncore/wholesale and core transport agents (CTAs). It is calculated at 150% of the highest daily border price index at the Southern California Border beginning on the first day of the month that the imbalance is created to five days prior to the start of each corresponding imbalance trading period, plus the authorized Brokerage Fee of 0.188¢ per therm for noncore retail service and all wholesale service, and 0.188¢ per therm for core retail service. The highest daily border price index is an average of the highest prices from "NGI's Daily Gas Price Index Southern California Border Average" and "Gas Daily's Daily Price Survey SoCal gas, Large pkgs Midpoint".

Core Retail Service:

SP-CR Standby Rate, per therm

March 2010	\$/therm	0.73726
April 2010	\$/therm	0.64051

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Noncore Retail Service:

SP-NR Standby Rate, per therm

March 2010	\$/therm	0.73726
April 2010	\$/therm	0.64051

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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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Rewards & Penalties Balancing Account (RPBA)....	16270, 15695-G	
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San Diego Gas & Electric Company  
San Diego, California

Revised Cal. P.U.C. Sheet No. 18253-G

Canceling Revised Cal. P.U.C. Sheet No. 18213-G

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Advice Ltr. No. 1950-G

Decision No. \_\_\_\_\_

Issued by  
**Lee Schavrien**  
Senior Vice President  
Regulatory Affairs

Date Filed May 21, 2010

Effective May 21, 2010

Resolution No. \_\_\_\_\_

**San Diego Gas & Electric Company**

**ATTACHMENT B**

**ADVICE LETTER 1950-G**

**RATE CALCULATION WORKPAPER  
SCHEDULE NO. G-IMB STANDBY PROCUREMENT RATE FILING  
EFFECTIVE APRIL 2010**

**G-IMB Standby Procurement Rate Calculation**

The highest daily border price index is an average of the highest prices from "NGI's Daily Gas Price Index - Southern California Border Average" and "Gas Daily's Daily Price Survey - SoCal gas, large pkgs Midpoint."

The highest daily border price index for the period was on May 19, 2010

5/19/10 NGI's Daily Gas Price Index (NDGPI) = \$0.4260 per therm

5/19/10 Gas Daily's Daily Price Survey (GDDPS) = \$0.4260 per therm

Highest Daily Border Price Index (HDBPI) = (NDGPI + GDDPS) /2

HDBPI = \$0.4260 per therm

**Standby Procurement Rate (Core Retail) = 150% x HDBPI + Core Brokerage Fee**

$$150\% \quad \times \quad 0.42600 \quad + \quad 0.00151 \quad = \quad \boxed{0.64051}$$

**Standby Procurement Rate (Noncore Retail) = 150% x HDBPI + Noncore Brokerage Fee**

$$150\% \quad \times \quad 0.42600 \quad + \quad 0.00151 \quad = \quad \boxed{0.64051}$$