STATE OF CALIFORNIA

Edmund G. Brown Jr., *Governor*

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

February 23, 2012

Advice Letter 2178-E/1957-G

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

Subject: Request for Authorization to Establish a Mover Services Program on a Non-Tariffed Basis

Dear Mr. Faber:

Advice Letter 2178-E/1957-G is effective November 6, 2011 per Resolution G-3456.

Sincerely,

Edward Randolph

Edward F. Randolph, Director
Energy Division

Clay Faber
Director - Regulatory Affairs

8330 Century Park Court
San Diego, CA 92123-1548

Tel: 858-654-3563
Fax: 858-654-1788
CFaber@semprautilities.com

June 16, 2010

ADVICE LETTER 2178-E/1957-G
(U 904-M)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Subject: **Request for Authorization to Establish a Mover Services Program on a Non-Tariffed Basis**

Purpose

San Diego Gas and Electric Company ("SDG&E") hereby requests authorization from the California Public Utilities Commission (Commission) to establish a new non-tariffed product and service (NTP&S) to provide mover services for its customers. This Mover Services Program[1] will enable customers that start or transfer their utility service to SDG&E to opt-in to access a mover services vendor that customers may find useful while in the midst of a move. To facilitate SDG&E's ability to offer this service, SDG&E requests a limited waiver to Affiliate Transaction Rule IV.A[2].

SDG&E also modifies its Gas and Electric Reward and Penalties Balancing Accounts (RPBA) to record the ratepayer's allocation of gross revenues generated from the program under the sharing mechanism proposed herein and submits applicable revisions to its Electric Preliminary Statement Part II and Gas Preliminary Statement Part IV, Balancing Accounts, applicable throughout its service territory, as shown on Attachments A and B.

Background

This filing is made pursuant to Rule VII.E of the Affiliate Transaction Rules, which requires energy utilities to submit an advice letter describing any new NTP&S it proposes to offer. This letter is in compliance with all requirements of Rule VII, and also asks for a limited waiver of Affiliate Transaction Rule IV.A, in order to offer this service.

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[1] This is only a generic name for the service requested in this filing. SDG&E will establish a formal name to be used for the offering with customers once the service is approved by the Commission. This program name may be changed or modified.
[2] D.06-12-029, Appendix A-3

Program Description

The Mover Services Program will offer residential customers the option to access a mover services vendor at the end of a transaction to start or transfer utility service with SDG&E. The third-party services offered by the mover services vendor may include, but are not limited to, telephone, internet, cable and satellite television, home security, trash removal, and other products and services that may be of value to customers when moving to a new location. SDG&E believes that such a program will enhance customer service by providing residential customers with the added convenience of a one-stop call for moving services.

Currently, SDG&E's customers apply for new or transferred gas utility service by calling SDG&E's Customer Contact Center or using the SDG&E website. Thus, both the call center and the website will offer valuable "one-stop" move-related services. SDG&E's contractual agreement with a mover-services vendor will provide for flexibility and control over the quality of the vendor's customer service. SDG&E will also have the ability to reduce or terminate the program if it fails to meet SDG&E's quality of service and other standards.

SDG&E's customer service representatives (CSRs) will follow specific procedures that will clearly define when a customer will be transferred to a mover-services vendor for mover services, thus keeping tariffed utility services separate from the mover services. A standard script[3] will be used to ensure that the Mover Services Program offer is delivered to customers in a uniform manner. If a customer elects to opt into the program, the CSR will transfer the call to the mover-services vendor. SDG&E's service will end at that time. Should a customer indicate no interest in the program, the call will be courteously ended by the CSR. The script used by SDG&E's CSRs will be designed (and modified as necessary) to ensure that certain messages are conveyed to customers as they decide whether they want to utilize the mover-service program. Strict program guidelines will ensure that:

1. Correct and consistent information about mover services is conveyed
2. Notification that mover services program is managed by a third party vendor and is not part of SDG&E's utility service
3. No hard sell connotations will be permitted
4. Statements that could be perceived as inappropriate will not be permitted
5. SDG&E will not endorse the vendor's mover services
6. Only basic customer information (name, address, move date, and unique customer identifier) will be transferred by SDG&E to the mover services vendor; all other customer information would remain confidential.

SDG&E may also offer mover services to customers who use SDG&E's website to start or transfer service. The same messages noted above will also be provided to customers on the utility website.

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[3] A sample script could potentially read: "I have completed your order. (Customer Name), SDG&E offers a service through a vendor called (Vendor Name) who will help you start up other services at your new address such as phone, TV, and internet. This referral is at no additional charge. If you are interested in this service, I can transfer you now. Is that ok?"

SDG&E's existing utility service will not be adversely affected by implementation of this program. During emergencies and high call volumes, the mover services offer will be suspended to enable all CSR staff to be dedicated to support those customer calls. SDG&E will regularly monitor its call center operations' service levels and resources to ensure that the mover services program does not adversely affect the core utility service.

To avoid any "hard sell" behavior, SDG&E's CSRs will not receive any incentives for sales levels achieved in this program. The CSRs' performance will continue to be objectively measured using call center performance metrics.

In December 2007, PG&E filed AL 2891-G/3169-E for approval of its Mover Services Program. The Commission approved PG&E's program in Resolution G-3417 in June 2008. PG&E has since launched both its Customer Contact Center and online channels of this program. SDG&E's understanding is that PG&E has seen its program gain customer acceptance since the launch and realized an increase in its customer satisfaction rating as a result of offering this program.

SDG&E's program design is similar to PG&E's mover services program. SDG&E's proposal addresses the primary concerns raised by the Commission in Resolution G-3417 -- consumer protection issues and the potential liability for the program to the utility and its ratepayers.

SDG&E has designed its mover services program to address consumer protection concerns by providing the Energy Division (ED) with the call center script for review and approval before the program is launched; maintaining a log of customer complaints to provide to the ED; sharing only the minimum necessary customer information (none related to usage or billing); and ensuring the mover services vendor includes on its referral list only provider companies that meet specified criteria.

Regarding program liability, all liability for the program will be borne by the mover services vendor and SDG&E shareholders. Ratepayers will be protected from any program liability. Additionally, all program costs will be tracked separately. The program will pay the costs associated with the usage of ratepayer assets. Gross revenues will be shared 90/10 by shareholders and ratepayers as proposed within this advice letter.

SDG&E anticipates that the Mover Services Program will launch at its Customer Contact Centers approximately 3-4 months after Commission approval of the program; implementation of the online mover services program will launch about 12 months after approval.

Customer Benefits

SDG&E's goal in providing this program is to create a positive customer experience and enhance customer service. The Mover Services Program will provide residential customers with several benefits. These include:

- Value – customer can save time and money using this service;
- Choice – customer can easily manage the issues and stresses of relocation through the one-stop call at no-cost to them;
- Empowerment – customer quickly gets the ready availability and comparisons of products and services at their new home;
- Protection – customer privacy is respected and protected.

All of the benefits above contribute to a positive customer experience through enhanced customer services resulting in higher customer satisfaction. Given the quality criteria of the program, SDG&E expects to experience a similar increase to customer satisfaction (PG&E saw an increase of 4 basis points after the first year) and virtually no customer complaints as PG&E saw from its mover services program.

Sharing Mechanism

SDG&E proposes to establish a revenue sharing mechanism for this non-tariffed service offering. In general, SDG&E will allocate gross program revenues 90% to shareholders and 10% to ratepayers. SDG&E believes this proposed mechanism offers a reasonable method of sharing non-tariffed revenues generated by the mover services program:

- Creates the appropriate incentive for the utility to initiate new product offerings
- Increases effective utilization of utility assets
- Addresses properly any incremental resources
- Has potential for broader application to accommodate similar opportunities for additional non-tariffed customer services

The ratepayer allocation of gross revenues will be recorded in SDG&E's Rewards and Penalties Balancing Account (RPBA). SDG&E anticipates that there will be a 12-month ramp-up period before the program is in full operation. During this ramp-up period, the primary focus will be the successful implementation of the Call Center training, evaluating customer understanding of the program script and revising the script if necessary, and debugging any IT issues that may arise. Once the program is operating smoothly, the focus will shift to informing the eligible customers of the availability and benefits of the program. SDG&E will comply with applicable reporting and auditing requirements related to this revenue sharing mechanism.

SDG&E's historic data indicates that 10-15% of customer calls involve turn-on and transfer of utility service; these customers are the potential customers for mover services program participation. Based on PG&E's experience and other utilities offering similar services, of the potential customers that are offered the service, SDG&E estimates that 35-50% will actually participate in the program. Over five years, SDG&E estimates that gross revenues of $1.4 to $2 million could be generated; with corresponding estimated program costs of $1.1 million.

Estimated costs are expected to be incurred over the five years in the following areas:

- Customer Contact Center – $654,000
  - Development of program training and delivery to all CSRs ($3,600)
  - Call handle time to deliver program script (labor and overheads - $650,000)
- Technology – $440,000
  - Software to facilitate call transfer at Customer Contact Center ($100,000)
  - Programming to facilitate online transfer to program ($25,000)
  - Telecom capability to transfer calls to vendor ($280,000)
  - Ongoing technical support ($35,000)
- Program Management – $61,000
  - Program tracking and monitoring, customer complaint resolution, and contract administration.

SDG&E will separately identify and track revenues generated by this new program as part of program management and include this information in the annual report required by the Commission[4], including usage of utility assets and the allocation of gross revenues to ratepayers. In order to appropriately track all of the associated costs and revenues of the Mover Services program, SDG&E will establish a unique internal order to allow it to track revenues and costs of a Mover Services program. The costs associated with this program will include costs such as, but not limited to, IT materials and labor costs to implement the service, program management, CSR training and the incremental CSR call time and all related overheads to offer the Mover Services program.

Request for Limited Waiver of Affiliate Transaction Rule IV.A

SDG&E seeks a limited waiver of Affiliate Transaction Rule IV.A to permit verbal customer consent, rather than written consent, to transfer interested customers' name, address, move date and a unique "customer identifier" to the mover services vendor. This request should be approved to permit SDG&E to offer referral services in a way that is convenient to customers, minimizes call handle times, and maximizes customer satisfaction with the Mover Services program. The limited waiver requested here will allow SDG&E to automatically transfer the customer from its call center to the mover services vendor's customer service center along with the basic customer information noted above.

Rule IV.A of the Affiliate Transaction Rules requires written customer consent for the release of *any* customer information to *any* third-party (affiliate or not). SDG&E does not seek a broad revision to this policy. Obtaining written customer consent to transfer basic customer information, however, would be unreasonably burdensome and hinder timely service and enhanced customer convenience. Therefore, SDG&E requests that the Commission allow SDG&E to provide basic customer information to the vendor upon verbal customer consent. If the Commission approves, SDG&E will use the following guidelines in transferring data to the mover-services vendor:

1. Customer load/usage and billing information will never be provided to the mover-services vendor;
2. Only the minimum information required to fulfill the customer's referral will be provided to the mover-services vendor: name, address, move date and a unique customer identifier;
3. Information will be provided only to the mover-services vendor;
4. Customer information will never be provided to the mover-services vendor if the customer declines interest in the Mover Services program; and
5. Records of the verbal authorization will be maintained by SDG&E.

This limited waiver of Rule IV.A allows customers to verbally approve release of limited basic customer information and appropriately balances protection of customer confidentiality with customer service and convenience. This limited waiver would be the same as that given to PG&E for its Mover Services program in Resolution G-3417.

[4] D.06-12-029, Rule VIII.C

Compliance with Rule VII of the Affiliate Transaction Rules

Rule VII.C.4 -- Rule VII.C.4 sets forth the following conditions that must be met for an energy utility to offer a non-tariffed product or service:

a. *The non-tariffed product or service utilizes a portion of a utility asset or capacity;*
b. *Such asset or capacity has been acquired for the purpose of and is necessary and useful in providing tariffed utility services;*
c. *The involved portion of such asset or capacity may be used to offer the product or service on a non-tariffed basis without adversely affecting the cost, quality or reliability of tariffed utility products and services;*
d. *The products and services can be marketed with minimal or no incremental ratepayer capital, minimal or no new forms of liability or business risking being incurred by utility ratepayers and no undue diversion of utility management attention; and*
e. *The utility's offering of such non-tariffed product or service does not violate any law, regulation, or Commission policy regarding anti-competitive practices.*

SDG&E's Mover Service program will use existing utility assets and employees to offer mover services to participating customers. The existing utility assets associated with mover services include the assets that were acquired for the purpose of tariffed utility service in order to provide safe, reliable, and efficient service. These assets include Contact Center Operations buildings and facilities, Customer Service Representatives, Contact Center equipment and online resources.

Utility assets and labor used to offer the Mover Services program will be primarily call center personnel, overhead, and equipment. The Mover Services program will neither affect the cost, quality, or reliability of tariffed utility products and services nor will it unduly divert utility management attention from tariffed utility services. The incremental work involved with this program will be done by existing workforce and the cost of the incremental work charged to the program. Less than 1% of Contact Center resources would be used in the program. In the event of a major emergency such as an earthquake, a powerful storm or major outage that requires a high level of emergency response, SDG&E would suspend offering the Mover Services program so that all SDG&E resources would be deployed to deal with the emergency.

SDG&E's shareholders will be responsible for all risk associated with the Mover Services program. SDG&E will record all of the associated costs and revenues for this program in a unique internal order number. This will ensure proper accounting procedures are met. Program revenues will pay for all costs incurred by the program. Any costs that exceed revenues will be borne by SDG&E's shareholders. Any gross revenues realized will be shared 90/10 between SDG&E shareholders and ratepayers.

SDG&E's Mover Services program does not violate any laws, regulations, or Commission policies regarding anti-competitive practices. The relevant market for the program is the move-services market. SDG&E and the selected mover-services vendor will not endorse any of the individual products or services offered by third parties, and customers will have a choice to accept or decline SDG&E's offer to be transferred to the mover-services vendor. Furthermore, the customer will have no obligation to subscribe to or purchase from any third-party vendor any of the products or services the mover-services vendor introduces or offers. Customers will make the final decision on whether they select any mover services or products.

SDG&E will not charge utility customers any fee for its Mover Services program. The program will provide SDG&E's customers with added convenience during their moves by allowing them to order many of their moving needs in a single call. The market for actual services offered by the mover-services vendor will not be adversely affected by this new program. SDG&E will require the mover-services vendor to allow any third-party service provider to participate as long as they meet a minimum criteria set for all service providers. Neither SDG&E nor the mover-services vendor will have any control over pricing for the products and services offered by the individual companies providing the services. All prices for the offered services will be set by the companies providing the actual services. Any costs paid by the customer to a third-party service provider will be determined by the customer's selection of a specific third-party service (e.g., telephone, internet, etc.).

SDG&E will select a mover-services vendor for this program based on the skill and ability to provide a diverse selection of products and services and a proven track record establishing that the vendor can deliver positive customer experience and increased customer satisfaction.

Rule VII.D – Rule VII.D sets forth the following general conditions that must be met before a utility can offer any new non-tariffed products and services. A utility may offer new non-tariffed products and services only if the Commission has adopted and the utility has established:

1. *A mechanism or accounting standard for allocating costs to each new product or service to prevent cross-subsidization between services a utility would continue to provide on a tariffed basis and those it would provide on a non-tariffed basis.*
2. *A reasonable mechanism for treatment of benefits and revenues derived from offering such products and services, except that in the event the Commission has already approved a performance-based ratemaking mechanism for the utility and the utility seeks a different sharing mechanism, the utility should petition to modify the performance-based ratemaking decision if it wishes to alter the sharing mechanism, or clearly justify why this procedure is inappropriate, rather than doing so by application or other vehicle.*
3. *Periodic reporting requirements regarding pertinent information related to non-tariffed products and services; and*
4. *Periodic auditing of the costs allocated to and the revenues derived from non-tariffed products and services.*

SDG&E proposes to report program revenues and the related earnings allocation from this program in an annual report in compliance with Rule VII.H. In Rule VII.H, the Commission requires that the SDG&E's Report provide a brief description of the non-tariffed product and service categories it offers, costs allocated to and revenues derived from each category and information on the proportion of relevant utility assets used to cover each category of product and service. This report will include the allocation of gross revenues between ratepayers and shareholders. Thus, the information in this report will satisfy the Commission's requirement in Rule VII.E.

Furthermore, to ensure compliance with the requirements of Rule VII, SDG&E will use its biennial independent audit of compliance as required by Affiliate Transaction Rule VI.C to review its Mover Services program.

Rule VII.E.1 -- Prior to offering a new category of non-tariffed products and services, the Commission requires the utility to file an advice letter showing it meets the requirements set forth in Rule VII.E.1 as follows:

a. Demonstrate compliance with these rules;
b. Address the amount of utility assets dedicated to the non-utility venture, in order to ensure that a given product or service does not threaten the provision of utility service, and show that the new product or service will not result in a degradation of cost, quality, or reliability of tariffed goods and services;
c. Address the potential impact of the new product or service on competition in the relevant market, including but not limited to, the degree in which the relevant market is already competitive in nature and the degree to which the new category of products or services is projected to affect that market;
d. Be served on the service list of Rulemaking 97-04-011/Investigation 97-04-012, as well as on any other party appropriately designated by the rules governing the Commission's advice letter process.

SDG&E's Mover Services program complies with all other applicable Affiliate Transaction Rules. None of SDG&E's affiliates will participate as service providers for the Mover Services program.

Rule VII.E.1.c. requires SDG&E to address the potential impact of its proposed program on the competitiveness of the relevant market. SDG&E is not aware of any mover services business providing mover service referrals within its service territory. SDG&E believes there would not be any adverse impact on any potential entrants to this market. The program sets out the criteria which the selected mover services vendor will be required to use to offer customer choice through a comprehensive list of services and service providers. SDG&E has reviewed the use of this type of service by more than 25 utilities nationwide and estimates that 15% of its new or transfer customers may choose to use this mover service, leaving a substantial portion of the market for existing vendor and future potential entrants.

SDG&E's shareholders will bear the risk of this program in order to provide better customer service to its customers. Consumers will benefit by saving time and obtaining needed services more conveniently. SDG&E's ratepayers will benefit by improved utilization of the assets dedicated to ratepayer services at no incremental cost and a share of the gross revenues generated by the program.

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

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, or July 6, 2010. 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.

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 Advice Letter should be classified as Tier 3 and, as such, requires a resolution to be issued by the Commission. SDG&E respectfully requests such a resolution be placed on the agenda at the Commission's earliest convenience.

NOTICE

A copy of this filing has been served on the utilities and interested parties shown on the attached list 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.

____
CLAY FABER
Director – Regulatory Affairs

(cc list enclosed)

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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:	Contact Person: Megan Caulson
☒ ELC ☒ GAS	Phone #: (858) 654-1748
☐ PLC ☐ HEAT ☐ WATER	E-mail: mcaulson@semprautilities.com

EXPLANATION OF UTILITY TYPE	(Date Filed/ Received Stamp by CPUC)
ELC = Electric GAS = Gas	
PLC = Pipeline HEAT = Heat WATER = Water	

Advice Letter (AL) #: 2178-E/1957-G

Subject of AL: Request for Authorization to Establish a Mover Services Program on a Non-Tariffed Basis

Keywords (choose from CPUC listing): Affiliate, Balancing Account

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:
D.06-12-029

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[1]: 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 ______ No. of tariff sheets: 6

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: Gas Schedule RPBA, Electric Schedule RPBA, Table of Contents

Service affected and changes proposed[1]: N/A

Pending advice letters that revise the same tariff sheets: ______

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	**San Diego Gas & Electric**
Attention: Tariff Unit	**Attention: Megan Caulson**
505 Van Ness Ave.,	**8330 Century Park Ct, Room 32C**
San Francisco, CA 94102	**San Diego, CA 92123**
mas@cpuc.ca.gov and jnj@cpuc.ca.gov	**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 Parites
R.08-06-024

ATTACHMENT A
ADVICE LETTER 2178-E

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 21929-E	PRELIMINARY STATEMENT, II. BALANCING ACCOUNTS, REWARDS AND PENALTIES BALANCING ACCOUNT (RPBA), Sheet 1	Revised 20035-E
Revised 21930-E	PRELIMINARY STATEMENT, II. BALANCING ACCOUNTS, REWARDS AND PENALTIES BALANCING ACCOUNT (RPBA), Sheet 2	Revised 20036-E
Revised 21931-E	TABLE OF CONTENTS, Sheet 1	Revised 21924-E

PRELIMINARY STATEMENT

II. BALANCING ACCOUNTS
REWARDS AND PENALTIES BALANCING ACCOUNT (RPBA)

1. Purpose

Pursuant to CPUC Decision 97-10-057, dated October 22, 1997, and CPUC Resolution E-3588, dated February 18, 1999, the Rewards and Penalties Balancing Account is established to track the utility's rewards, penalties and PBR revenue sharing. In accordance with AL 2178-E, the RPBA shall record the ratepayer's allocation of gross revenues associated with its non-tariffed Movers Service Program (MSP). N N

The RPBA shall have two subaccounts: 1) Rewards and Penalties (R&P) and 2) Non-tariffed Products & Services (NTP&S). N N

2. Applicability

This account shall apply to all electric services that are within the jurisdiction of the Commission.

3. Rates

The projected year-end account balance will be applied to the electric distribution rate as described in items 4.b.(3) and 5. below.

4. Accounting Procedure – R&P Subaccount N

This account shall reflect the following periodic entries:

a. A debit entry equal to the electric authorized amounts for each of the following items:

(1) Rewards allocated to the Electric Department as a result of the PBR Base Rates Mechanism or its successor, the Electric Distribution PBR;

(2) Rewards allocated to the Electric Department as a result of the utility's Annual Earnings Assessment Proceeding ("AEAP"), net of DSM rewards included in the current distribution rate.

(3) Rewards allocated to the Electric Department as a result of the sharing mechanism for under-expenditures in the Advanced Metering Infrastructure (AMI) project pursuant to the settlement adopted in D.07-04-043.

b. A credit entry equal to the electric authorized amounts for each of the following items:

(1) Penalties allocated to the Electric Department as a result of the PBR Base Rates Mechanism or its successor, the Electric Distribution PBR;

(2) Penalties allocated to the Electric Department as a result of the utility's AEAP, net of DSM penalties included in the current distribution rate; and

(Continued)

PRELIMINARY STATEMENT

II. BALANCING ACCOUNTS
REWARDS AND PENALTIES BALANCING ACCOUNT (RPBA)

4. Accounting Procedure (Continued)

b.

(3) Revenue allocated to the Electric Department from the revenue sharing portion of the PBR Base Rates Mechanism or its successor, the Electric Distribution PBR. (If the rate indexing formula is approved for the Electric Distribution PBR mechanism, the revenue sharing portion will be applied to the electric distribution rate as a percentage change to the rate component on an annual basis.) L

(4) Costs allocated to the Electric Department as a result of the sharing mechanism for over-expenditures in the Advanced Metering Infrastructure (AMI) pursuant to the settlement adopted in D.07-04-043.

(5) Royalties allocated to the Electric Department due to the licensing of intellectual property related to PlugSmart to Juice Technologies.

c. An entry shall be made to reflect the amount collected from/returned to customers due to the amortization of the prior year ending balance, pursuant to item 5. below.

d. The current month balance shall equal the expenses in 4.a. above less the revenues in 4.b. above, plus or minus any adjustment from 4.c.

e. The accumulated month ending balance shall equal the sum of:

(1) the current month's entries from 4.d.;

(2) the account balance at the beginning of the month;

(3) the Monthly Interest Rate multiplied by one-half of the sum of the account balance at the beginning of the month plus the account balance at the end of the month.

5. Accounting Procedures – NTP&S Subaccount N

This account shall reflect the following periodic entries:

a. A credit entry for the ratepayers 10% allocation of gross revenues associated with the MSP.

b. An entry shall be made to amortize the prior year ending balance; and

c. An entry equal to the Monthly Interest Rate multiplied by one-half of the sum of the account balance at the beginning of the month plus the account balance at the end of the month. N

6. Account Disposition

The Utility shall file in October of each year an advice letter requesting to apply the projected year-end overcollected or undercollected balance in the R&B Subaccount and/or the overcollected balance in the NTP&S Subaccount as a twelve-month amortization to electric rates effective January 1 of the following year. N N

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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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ATTACHMENT B
ADVICE LETTER 1957-G

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 18289-G	PRELIMINARY STATEMENT, IV. BALANCING ACCOUNT, REWARDS AND PENALTIES BALANCING ACCOUNT (RPBA), Sheet 1	Revised 16270-G
Revised 18290-G	PRELIMINARY STATEMENT, IV. BALANCING ACCOUNT, REWARDS AND PENALTIES BALANCING ACCOUNT (RPBA), Sheet 2	Original 15695-G
Revised 18291-G	TABLE OF CONTENTS, Sheet 1	Revised 18286-G

PRELIMINARY STATEMENT

IV. BALANCING ACCOUNT
REWARDS AND PENALTIES BALANCING ACCOUNT (RPBA)

1. Purpose

The purpose of the Rewards and Penalties Balancing Account is to record the Utility's rewards, penalties and PBR revenue sharing. In accordance with AL 1957-G, the RPBA shall record the ratepayer's allocation of gross revenues associated with its non-tariffed Movers Service Program (MSP). N N N

The RPBA shall have two subaccounts: 1) Rewards and Penalties (R&P) and 2) Non-tariffed Products & Services (NTP&S). N N

2. Applicability

This account shall apply to all gas services that are within the jurisdiction of the Commission.

3. Rates

The projected year-end account balance will be applied to gas rates as described in item 5. below.

4. Accounting Procedure – R&P Subaccount T

This account shall reflect the following periodic entries:

a. A debit entry equal to the gas authorized amounts for each of the following items:

(1) Rewards allocated to the Gas Department as a result of the PBR Base Rates Mechanism and its successor, the Distribution PBR;

(2) Rewards allocated to the Gas Department as a result of the Utility's Annual Earnings Assessment Proceeding ("AEAP"), net of the rewards included in current gas rates.

(3) Rewards allocated to the Gas Department as a result of the sharing mechanism for under-expenditures in the Advanced Metering Infrastructure (AMI) project pursuant to the settlement adopted in D.07-04-043.

b. A credit entry equal to the gas authorized amounts for each of the following items:

(1) Penalties allocated to the Gas Department as a result of the PBR Base Rates Mechanism and its successor, the Distribution PBR;

(2) Penalties allocated to the Gas Department as a result of the Utility's AEAP, net of the penalties included in current gas rates; and

(3) Revenue allocated to the Gas Department from the revenue sharing portion of the PBR Base Rates Mechanism and its successor, the Distribution PBR.

(4) Costs allocated to the Gas Department as a result of the sharing mechanism for over-expenditures in the Advanced Metering Infrastructure (AMI) project pursuant to the settlement adopted in D.07-04-043.

(Continued)

PRELIMINARY STATEMENT

IV. BALANCING ACCOUNT
REWARDS AND PENALTIES BALANCING ACCOUNT (RPBA)

Accounting Procedure- R&P Subaccount – (Continued)

c. An entry shall be made to reflect the amount collected from/returned to customers due to the amortization of the prior year ending balance, pursuant to item 5, below. L

d. The current month balance shall equal the expenses in 4.a. above less the revenues in 4.b. above, plus or minus any adjustment from 4.c. L

e. The accumulated month ending balance shall equal the sum of:

(1) the current month's entries from 4.d.;

(2) the account balance at the beginning of the month;

(3) the Monthly Interest Rate multiplied by one-half of the sum of the account balance at the beginning of the month plus the account balance at the end of the month.

6. Accounting Procedures – NTP&S Subaccount N

This account shall reflect the following periodic entries:

a. A credit entry for the ratepayers 10% allocation of gross revenues associated with the MSP,

b. An entry shall be made to amortize the prior year ending balance; and

c. An entry equal to the Monthly Interest Rate multiplied by one-half of the sum of the account balance at the beginning of the month plus the account balance at the end of the month. N

7. Account Disposition

The utility shall file in October of each year an advice letter requesting to apply the projected year-end overcollected or undercollected balance in the R&B Subaccount and/or the overcollected balance in the NTP&S Subaccount as a twelve-month amortization to gas rates effective January 1 of the following year. T N N

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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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