

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



October 7, 2010

Advice Letter 1970-G

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

Subject: July 2010 Standby Procurement Rate

Dear Mr. Faber:

Advice Letter 1970-G is effective August 23, 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
Fax: 858.654.1788
cfaber@semprautilities.com

August 23, 2010

ADVICE LETTER 1970-G
(U902-G)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUBJECT: JULY 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 June 2010.

BACKGROUND

Effective February 11, 2003, the California Public Utilities Commission (Commission) approved SDG&E Advice Letter 1359-G and later by Advice Letter 1963-G¹, which authorized SDG&E to file the Standby Procurement Rate, by separate advice letter, at least one day prior to the 25th 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 0.151 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 “ICE Daily Indices – SoCal Border.”
2. Calculated period begins on the first day of the “flow month”² 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.

¹ Approved by the Commission on August 11, 2010, with an effective date of August 1, 2010

² The flow month is the month that the imbalance is created.

Pursuant to SDG&E Advice Letter 1745-G³, 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 July 2010 (covering the period July 1, 2010 to August 20, 2010), the highest daily border price index at the Southern California border is \$0.44829 per therm. The resultant Standby Procurement Rate, based on the calculation methodology set forth above is \$0.67395 per therm for core retail service and \$0.67395 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 September 12, 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) 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 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 August 23, 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 August 25, 2010.

³ 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.

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) #: 1970-G

Subject of AL: July 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 AL¹: N/A

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

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 8/23/10

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 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

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

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 1970-G

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 18368-G	PRELIMINARY STATEMENT, II. STATEMENT OF RATES, Sheet 3	Revised 18337-G
Revised 18369-G	SCHEDULE G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 18329-G
Revised 18370-G	TABLE OF CONTENTS, Sheet 1	Revised 18362-G
Revised 18371-G	TABLE OF CONTENTS, Sheet 4	Revised 18349-G



San Diego Gas & Electric Company
San Diego, California

Revised Cal. P.U.C. Sheet No. 18368-G

Canceling Revised Cal. P.U.C. Sheet No. 18337-G

PRELIMINARY STATEMENT

Sheet 3

II. STATEMENT OF RATES

SCHEDULE GP-SUR

\$ per Therm

Gas Franchise Fee Surcharge (outside City of San Diego)	\$0.00967
Gas Franchise Fee Surcharge (City of San Diego)	\$0.01437

C. TRANSPORTATION OPTIONS

UNIT CHARGE

RATES

SCHEDULE G-IMB:

Core Retail Service:

Standby Procurement Rate (SP-CR):

June 2010	\$/therm	0.70464
July 2010	\$/therm	0.67395

Noncore Retail Service

Standby Procurement Rate (SP-NR):

June 2010	\$/therm	0.70464
July 2010	\$/therm	0.67395

Buyback Rate:

May 2010	\$/therm	0.21278
June 2010	\$/therm	0.20730
July 2010	\$/therm	0.23478

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3H8
Advice Ltr. No. 1970-G
Decision No. _____

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Aug 23, 2010
Effective Aug 23, 2010
Resolution No. _____



SCHEDULE G-IMB

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 0.151¢ per therm for noncore retail service and all wholesale service, and 0.151¢ 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 "ICE Daily Indices – SoCal Border".

Core Retail Service:

SP-CR Standby Rate, per therm

June 2010	\$/therm	0.70464
July 2010	\$/therm	0.67395

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Noncore Retail Service:

SP-NR Standby Rate, per therm

June 2010	\$/therm	0.70464
July 2010	\$/therm	0.67395

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Advice Ltr. No. 1970-G

Decision No. _____

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Aug 23, 2010

Effective Aug 23, 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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Pension Balancing Account (PBA).....	15698, 17754-G	
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San Diego Gas & Electric Company
San Diego, California

Revised Cal. P.U.C. Sheet No. 18371-G

Canceling Revised Cal. P.U.C. Sheet No. 18349-G

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Advice Ltr. No. 1970-G

Decision No. _____

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Aug 23, 2010

Effective Aug 23, 2010

Resolution No. _____

San Diego Gas & Electric Company

ATTACHMENT B

ADVICE LETTER 1970-G

**RATE CALCULATION WORKPAPER
SCHEDULE NO. G-IMB STANDBY PROCUREMENT RATE FILING
EFFECTIVE JULY 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 "Intercontinental Exchange Daily Indices - SoCal Border."

The highest daily border price index for the period was on August 3, 2010

08/03/10 NGI's Daily Gas Price Index (NDGPI) = \$0.44800 per therm

08/03/10 Intercontinental Exchange Daily Indices (ICEDI) = \$0.44858 per therm

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

HDBPI = \$.44829 per therm

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

$$150\% \quad \times \quad \mathbf{0.44829} \quad + \quad 0.00151 \quad = \quad \boxed{\mathbf{0.67395}}$$

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

$$150\% \quad \times \quad \mathbf{0.44829} \quad + \quad 0.00151 \quad = \quad \boxed{\mathbf{0.67395}}$$