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June 24, 2008

ADVICE LETTER 1999-E
(U902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUBJECT: REVISIONS TO SCHEDULE DR-SES TO INCLUDE AN OPT-OUT PROVISION

San Diego Gas & Electric Company (SDG&E) hereby submits for approval the following revisions to its electric tariffs as shown in the enclosed attachment.

PURPOSE

This filing revises SDG&E electric Schedule DR-SES, Domestic Time-of-Use for Households with a Solar Energy System, to include a provision that provides customers the ability to opt-out of DR-SES service within 90 days of receiving their first bill.

DISCUSSION

In compliance with Ordering Paragraph (OP) 2 of the SDG&E's Phase 2 General Rate Case Decision (D.) 08-02-034, SDG&E filed Advice Letter 1978-E which, among other things, established Schedule DR-SES effective May 1, 2008. DR-SES is a voluntary rate schedule that provides residential solar customers the option to consume and export power using Time-of-Use rates. Under DR-SES, a customer can receive a higher price per kWh for energy exported during peak hours when compared to a non-time differentiated rate schedule such as DR. Conversely, a DR-SES customer who imports energy from the utility during peak hours will pay more for energy than a customer on a non-time differentiated rate schedule. Depending on their usage pattern, residential solar customers may or may not benefit from taking service under DR-SES.

Currently, customers who choose to switch from their existing electric schedule to DR-SES are required to remain on DR-SES for a period of twelve months before having the opportunity to return to their otherwise applicable rate schedule (OAR).¹ In order to provide these customers flexibility, in the event that they do not benefit from receiving service under this voluntary schedule, SDG&E has revised DR-SES to include a provision that allows customers the opportunity to opt-out and take service under their otherwise applicable rate. This one-time option is only available to customers within 90 days of receiving their first bill for DR-SES service and only pertains to their initial term of service. As such, this new opt-out provision will assist residential solar customers who determine that they would be better served under their OAR, rather than DR-SES.

¹ Pursuant to SDG&E Electric Rule 12, Rates and Optional Rates.

Additionally, those customers currently taking service on DR-SES will have the opportunity to opt-out within 90 days following the approval of this instant advice letter.

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

EFFECTIVE DATE

SDG&E believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. Therefore, SDG&E requests that the tariffs proposed herein be approved effective July 24, 2008, thirty days from the date filed.

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 within 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 (jni@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: 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 to service lists A.07-01-047, 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.

KEN DEREMER
Director – Tariffs & Regulatory Accounts

(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: Will Fuller

Phone #: (858) 654-1885

E-mail: wfuller@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) #: 1999-E

Subject of AL: Revisions to Schedule DR-SES to Include an Opt-Out Provision

Keywords (choose from CPUC listing): General Rate Case, electric rates, renewable

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: 7/24/08

No. of tariff sheets: 3

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: See Table of Contents

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: 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

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
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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.07-01-047

ATTACHMENT
ADVICE LETTER 1999-E

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 20685-E	SCHEDULE DR-SES, DOMESTIC TIME-OF-USE FOR HOUSEHOLDS WITH A SOLAR ENERGY SYSTEM, Sheet 3	Original 20481-E
Revised 20686-E	TABLE OF CONTENTS, Sheet 1	Revised 20646-E
Revised 20687-E	TABLE OF CONTENTS, Sheet 4	Revised 20636-E



SCHEDULE DR-SES

Sheet 3

DOMESTIC TIME-OF-USE FOR HOUSEHOLDS WITH A SOLAR ENERGY SYSTEM

SPECIAL CONDITIONS (Continued)

- 5. Terms of Service. All current and future customers occupying the premise where the Solar Energy System is installed are required to enter into an interconnection agreement with SDG&E per the requirements of Rule 21 if they continue service on Schedule DR-SES. If a customer elects to discontinue service on Schedule DR-SES, the customer will not be permitted to return to Schedule DR-SES for a period of 12 consecutive months.
- 6. Opt-Out Provision. During their initial term of service, DR-SES customers may elect to opt-out and receive service under their otherwise applicable rate schedule (OAR). A customer must exercise this option within 90 days of receiving their first bill for DR-SES service, or within 90 days of the effective date of this tariff provision (July 24, 2008), whichever is applicable. In the event that a customer chooses to opt-out, the change shall become effective on the first regularly scheduled meter read date following the receipt of notice by the Utility.
- 7. Qualification for Schedule DR-SES. Customers taking service under Schedule DR-SES must demonstrate eligibility pursuant to Special Condition 12.
- 8. CARE Customers. Customers taking service under this schedule may be eligible for a 20% CARE discount on their bill, which for bundled customers primarily includes (1) a volumetric (per kWh) discount combining the sum of (a) the Utility Distribution Company (UDC) rate exclusive of CARE-specific PPP charges embedded within the UDC rate, as shown on this schedule, and (b) the Electric Energy Commodity Cost rate as shown on Schedule EECC, plus (2) the fixed monthly meter charge as shown on this schedule, if they qualify to receive service under the terms and conditions of Schedule E-CARE. In addition, qualified CARE customers are exempt from paying the CARE surcharge of \$0.00165 per kWh.
- 9. Net Energy Billing. Schedule DR-SES shall be billed in combination with Schedule NEM, provided that Schedule NEM is applicable.
- 10. Billing. A customer's bill is first calculated according to the total rates and conditions listed above. The following adjustments are made depending on the option applicable to the customer:
 - a. **UDC Bundled Service Customers** receive supply and delivery services solely from SDG&E. The customer's bill is based on the applicable Total Rates set forth above. The EECC component is determined by multiplying the EECC price for this schedule during the last month by the customer's total usage.
 - b. **Direct Access Customers** purchase energy from an energy service provider (ESP) and continue to receive delivery services from SDG&E. The bill for a Direct Access Customer will be calculated as if it were a UDC Bundled Service Customer, then crediting the bill by the amount of the EECC component, as determined for a UDC Bundled Customer.

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Nothing in this service schedule prohibits a marketer or broker from negotiating with customers the method by which their customers will pay the CTC charge.

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SCHEDULE DR-SES

Sheet 4

DOMESTIC TIME-OF-USE FOR HOUSEHOLDS WITH A SOLAR ENERGY SYSTEM

SPECIAL CONDITIONS (Continued)

- 11. Other Applicable Tariffs: Rules 21, 23 and Schedule E-Depart apply to customers with a solar energy system. T
- 12. Commencement of Service under Schedule DR-SES: Service under Schedule DR-SES shall commence on the first meter read over which the entire billing period is based on time-of-use (TOU) data. T
- 13. Solar Energy System: A Solar Energy System means a solar energy device that has the primary purpose of providing for the collection and distribution of solar energy for the generation of electricity, that produces at least one kW, and not more than five MW, alternating current rated peak electricity, and that meets or exceeds the eligibility criteria established pursuant to Section 25782 of the Public Resources Code. Further, a Solar Energy System for purposes of this Rate Schedule is defined as being installed pursuant to Section 25780, 25781, 25782 of the Public Resources Code; also known as the California Solar Initiative. T

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Advice Ltr. No. 1999-E

Decision No. _____

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Jun 24, 2008

Effective Jul 24, 2008

Resolution No. _____



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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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