



Ken Deremer
Director
Tariffs & Regulatory Accounts
8330 Century Park Court
San Diego, CA 92123-1550

Tel: 858.654.1756
Fax: 858.654.1788
kderemer@semprautilities.com

July 28, 2008

ADVICE LETTER 2008-E/1786-G
(U 902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUBJECT: Implementation of the California Institute for Climate Solutions (CICS or Institute) Funding Pursuant to Decision (D.) 08-04-039

San Diego Gas and Electric Company (SDG&E) hereby submits for filing the following revisions to its electric and gas tariffs, as shown on the enclosed Attachment B and D, respectively.

PURPOSE

In compliance with Decision 08-04-039, this filing 1) provides SDG&E's allocation of the funding requirements of the Institute, 2) describes the collection and remittance process as envisioned by SDG&E subject to determination by the Commission and the selected Collecting Agent¹, 3) establishes the California Institute for Climate Solutions Balancing Account (CICSBA) to track funds collected from customers and payments made to the designated Collecting Agent, and 4) revises the applicable tariff schedules as discussed below.

BACKGROUND

On April 10, 2008, the Commission issued Decision (D.) 08-04-039 which established the Institute. The Institute will accelerate applied research and development (R&D) of practical and commercially viable technologies that will reduce greenhouse gas (GHG) emissions and allow California to adapt to those impacts of climate change. The Institute will focus on speeding the transfer of these technologies from the laboratory to the market place.

The decision adopts state-wide funding for the Institute of \$60 million per year for 10 years which will be collected from California investor-owned electric and gas utilities through a new charge, exempting gas-fired electricity generators, customers eligible for the CARE program, and in compliance with funding restrictions imposed by Assembly Bill 1X. Consistent with D.04-02-057, total (commodity plus non commodity) residential electric rates for usage up to 130% of baseline remained unchanged. In addition, the Institute will obtain matching funding that equal or exceed ratepayer funding from other non-ratepayer sources over the 10 year program period. The investment in CICS will leverage the State's considerable intellectual capital for the purpose of its mission to:

¹The Collecting Agent is the designated utility that will be responsible for the overall collection and remittance of funds to the Institute. The Collecting Agent has not been determined at this time but the selection may be based on the utility that has a seat on the Governing Board of the Institute or other criteria as determined by the Commission.

1. Administer grants for mission-oriented, applied and directed research that results in practical technological solutions and supports development of policies likely to reduce GHG emissions or help California's electricity and natural gas sectors adapt to the impacts of climate change.
2. Speed the transfer, deployment, and commercialization of technologies that have the potential to reduce GHG emissions in the electric and gas sectors or otherwise mitigate the impacts of climate change in California.
3. Facilitate coordination and cooperation among relevant institutions, including private, state, and federal entities, in order to efficiently achieve mission-oriented, applied and directed research.

Pending the establishment of intellectual property and technology transfer protocols specific to the Institute and approved by the Commission, ratepayers may receive a return from the net revenues associated with these R&D projects unless such action is in violation of existing laws.

To ensure the Institute is held accountable to the Commission and ratepayers in attaining its mission and complying with the requirements adopted by D.08-04-039, one Commissioner and the Director of the Division of Ratepayer Advocates (DRA) will have seats on the Governing Board. Additionally, the Commission will retain oversight of the Institute by having certain decisions placed on the Commission agenda for Commission approval (e.g., all non ex officio appointments to the Governing Board, appointments to the Executive Committee, etc.).

Allocation of Annual Funding Requirements of the Institute

In determining the allocation of the funding requirement of the Institute, the funding requirement was first allocated between gas and electric customers based on revenues, excluding certain revenues associated with resale, DWR (on the electric side), and Electric Generation (on the gas side). As a result, the annual funding requirement is allocated 71.56% to electric customers and 28.44% to gas customers. The funding requirement allocated to gas customers was further allocated among the utilities based on the percentage of gas consumption to the total gas consumption in 2007. SDG&E's allocation of the annual electric and gas funding is \$4.4 million (10.29%) and \$0.8 million (4.65%), respectively.

Electric	Total Revenues excluding DWR and Wholesale - M\$	MWh	% of Allocation	Annual Requirement - M\$
SCE	\$9,238,002	88,805,309	45.09%	\$19,359
PGE	\$8,965,738	86,313,303	43.82%	\$18,816
SDGE	\$2,190,646	20,275,897	10.29%	\$4,420
PacifiCorp	\$77,560	884,865	0.45%	\$193
Sierra	\$75,225	544,928	0.28%	\$119
BVES	\$28,855	138,863	0.07%	\$30
Mountain	\$2,117	6,913	0.004%	\$2
Total	\$ 20,578,143	196,970,079		\$42,939
% Allocation	71.56%			

Gas	Total Revenues, excluding EG and Wholesale - M\$	Decatherms	% of Allocation	Annual Requirement - M\$
PGE	\$3,552,791	459,079,489	38.833%	\$6,625
SDGE	\$573,046	55,021,601	4.654%	\$794
SCG	\$3,871,874	654,600,324	55.371%	\$9,447
SWG	\$173,571	13,160,841	1.113%	\$190
WCG	\$2,176	224,986	0.019%	\$3
Alpine	\$812	48,734	0.004%	\$1
Catalina	\$2,145	63,200	0.005%	\$1
Total	\$8,176,415	1,182,199,175		\$17,061
% Allocation	28.44%			

Collection/Payment Process

Ordering Paragraph (OP) 4 of D.08-04-039 requires that utilities should hold CICS funds collected and pay out the funds directly to a grantee and, in addition, describe in an advice letter the exact mechanics of how this process will work. In compliance with OP 4, SDG&E envisions this process to work as follows, subject to further direction that may be provided by the Commission and clarification from the designated Collecting Agent who will be responsible for submitting a subsequent advice letter detailing the process that will ultimately be used. Pacific Gas & Electric Company (PG&E) has expressed an interest to act as the CICS Collecting Agent in exchange for an Investor Owned Utility (IOU) seat on the Governing Board for the first three-year term of that position. PG&E's proposal for implementing the Collecting Agent role is detailed in Appendix A of their CICS filing.

- Prior to remitting the CICS funds to the Collecting Agent, SDG&E will track the funds in the CICSBA, as described in the following section below, along with the actual CICS funds collected from its customers.
- Consistent with OP 8, to ensure that the annual allocation of each utility is paid in full to the Institute by March 31st of each year of the program commencing in 2009, SDG&E will make monthly payments to the Collecting Agent, equal to its annual allocation divided by the number of months of the period beginning with the month of its initial payment through March 2009. The first payment will be made in the month that SDG&E implements this revenue requirement in its rates. Subsequent to March 2009, monthly payments will equal one-twelfth of the authorized annual allocation.
- The Collecting Agent will record the funds from other utilities as well its own required payments in a separate liability account prior to remittance of the funds to the Institute.
- Similar to the Institute's requirement to segregate funding from other funds as described in OP 9, the Collecting Agent should also segregate these funds from its own utility funds by depositing them in an interest bearing account so that any interest generated by the funds are reserved for the purposes of the CICS or reimbursed/allocated back to the utilities. If reimbursed back to the utilities, the reimbursement will be recorded to each utility's gas and electric regulatory balancing accounts (e.g., SDG&E's CICSBA as described below) which may offset their respective following year's revenue requirement charged to their customers.

- The Collecting Agent, upon approval by the Commission, will be compensated for its reasonable costs for facilitating and administering the collection and remittance of funds to the Institute. The Collecting Agent shall be reimbursed for its costs by reducing the remittance to the Institute.

Establishment of the CICSBA

Pursuant to OP 7, SDG&E is establishing its electric and gas CICSBA. The purpose of the account is to record the difference between the actual CICS funding collected from customers and actual payments made to the Collecting Agent. The Collecting Agent will be responsible for collecting funds from other utilities as well as from its own customers and remitting those funds to the Institute for its administration and hub expenses (maximum of 10% of total CICS funding) or for awards made directly to the grantee (minimum of 85% of CICS funding). The CICSBA will also record any net revenues received by the utilities associated with intellectual property under the applicable policies and protocols established by the Institute and adopted by the Commission. Any shortfall or excess recovery in collecting the annual CICS revenue requirement will be incorporated in the following year's update of the CICS rates in connection with SDG&E's annual update of its electric PPP rates and gas transportation rates through SDG&E's regulatory account balance update filings. Any unspent funds remaining at the end of the 10th year will be returned to ratepayers, unless the Commission acts to continue ratepayer funding of the Institute.

Electric Public Purpose Program (PPP) Rates

The CICS revenue requirement will be recovered from non-exempt customers by means of an adder to electric public purpose program (PPP) rates. CARE customers will be exempted from the CICS rate component and therefore electric PPP rates applicable to CARE customers will be unchanged. The CICS rate that is added to electric PPP rates is calculated as an equal cent per kWh charge pursuant to D.08-04-039. In compliance with funding restrictions imposed by Assembly Bill 1X, total (commodity plus non commodity) residential electric rates for usage up to 130% of baseline remained unchanged.

Gas Transportation Rates

The CICS revenue requirement will be incorporated in gas transportation rates, which are applied to CARE and non-CARE customers on an equal cents per therm basis. To ensure that CARE customers are properly exempted from the CICS revenue requirement as required by D.08-04-039, SDG&E plans to establish a surcredit to CARE transportation rates equal to 80% of the CICS revenue requirement (as 20% is already removed through the discount calculation) to offset the embedded CICS charge. Consistent with SDG&E's planned revenue requirement changes described below, the CARE surcredit will be established at an initial rate of 0.229 cents per therm in 2009, which may change depending on the actual implementation date of the revision to gas transportation rates and subsequently reset to collect the full annual CICS revenue requirement beginning in 2010. SDG&E is herein making appropriate changes to the language in its CARE-related tariffs to indicate that a surcredit (in cents per therm) will be applied to transportation charges for all CARE-eligible customers to remove the embedded CICS charges that are only applicable to non-CARE customers (see Attachment C). Once approved, these CARE-related tariffs will be filed with the actual surcredit amount in connection with SDG&E's annual Consolidated Rate Update filing.

Revenue Requirement/Rate Impact

As described herein, with the establishment of the Institute, electric PPP and gas transportation rates will be increased to collect SDG&E's allocated share of the annual funding requirements from its customers for payment to the Collecting Agent. Based on the split of 2007 state electric and gas revenues, SDG&E's CICS electric and gas funding allocation is approximately \$4.4 million and \$0.8 million per year, respectively.

SDG&E plans to change its electric PPP and gas transportation rates on January 1, 2009. Additionally, SDG&E plans to incorporate in 2009 the electric PPP and gas transportation rates necessary for the annual funding requirements for 2008 and 2009, which generally should be collected by March 31st of each year of the program commencing in 2009. The 2009 funding requirements will be prorated to recover 9/12 of the year's funding as the remaining funding will be collected in 2010 rates along with the following year's prorated funding requirements.

Assuming a January 1, 2009 implementation of CICS funding for electric PPP and gas transportation rates, the electric annualized revenue requirement for 2008 and 2009 would be \$8.1 million (\$4.420 million x 21/12 months escalated for franchise fees and uncollectibles). For gas transportation rates, the annualized revenue requirement for 2008 and 2009 would be \$1.4 million (\$0.794 million times 21/12 months escalated for franchise fees and uncollectibles).

Included with this filing is the Electric Class Average Rate Table (Attachment A) and the Annual Gas Transportation Revenue Table (Attachment B) summarizing revenue changes and present and proposed rates associated with the pro-rated 2008 and 2009 CICS revenue requirements. SDG&E will file an advice letter consolidating all Commission-authorized changes in its revenue requirements, and the related changes to its rates, associated with the implementation of the Consolidated Rate Update filings and CICS revenue requirements at least three days prior to the effective date of such rates.

Gas transportation rates will then be reset in 2010 and onward in connection with SDG&E's Consolidated Rate Update filing, along with other Commission-authorized changes in its revenue requirements and the related changes to its rates, to collect the full year's CICS revenue requirement effective January 1st in subsequent years of the CICS program. Similarly, electric PPP rates will be reset in 2010 and onward in connection with SDG&E's annual October 1st advice letter filing.

EFFECTIVE DATE

SDG&E believes this filing is subject to Energy Division disposition and should be classified as Tier 3 (effective after Commission approval) pursuant to GO 96-B. SDG&E therefore respectfully requests that the Commission issue a resolution approving this advice letter to become effective January 1, 2009.

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 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:

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

Copies should also be sent via e-mail to the attention of Honest Gatchalian (ijnj@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 Commission (at the addresses shown below).

Attn: Todd Cahill
Regulatory Tariff Manager
8330 Century Park Court, Room 32C
San Diego, CA 92123-1548
Facsimile No. (858) 654-1778
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 the service list R.07-09-008, 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 (U 902)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Aurora Carrillo

Phone #: (858) 654-1542

E-mail: acarrillo@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) #: 2008-E / 1786-G

Subject of AL: Implementation of the California Institute for Climate Solutions (CICS or Institute) Funding Pursuant to Decision (D.) 08-04-039

Keywords (choose from CPUC listing): Compliance, 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.08-04-039

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: Upon Commission Approval

No. of tariff sheets: 17

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
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 Parties in:

R.07-09-008

SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT

Attachment A

SDG&E Advice Letter 2008-E/1786-G

CLASS AVERAGE RATES

Based on Rates Effective 6/1/08
(AL 1994-E)

Proposed 1/1/2009
CICS

	Current Total UDC Rate (¢/KWhr)	Current Avg. Commodity (¢/KWhr)	Current Total Rate (¢/KWhr)	Proposed Total UDC Rate (¢/KWhr)	Proposed Avg. Commodity (¢/KWhr)	Proposed Total Rate (¢/KWhr)	Total Rate Change (¢/KWhr)	Total Rate Change (%)
Residential	6.881	8.610	15.491	6.915	8.610	15.526	0.034	0.22%
Small Commercial	6.604	9.282	15.885	6.643	9.282	15.925	0.039	0.25%
Med. & Large C&I	4.257	9.229	13.486	4.296	9.229	13.525	0.039	0.29%
Agriculture	6.768	8.796	15.565	6.808	8.796	15.604	0.039	0.25%
Lighting	8.247	6.384	14.631	8.287	6.384	14.670	0.039	0.27%
System Total	5.503	8.942	14.445	5.540	8.942	14.482	0.038	0.26%

Notes:

DWR-BC is included in Current and Proposed Total UDC Rate

ATTACHMENT B
ADVICE LETTER 2008-E

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 20706-E	PRELIMINARY STATEMENT, II. BALANCING ACCOUNTS, DESCRIPTION/LISTING OF ACCOUNTS, Sheet 2	Revised 20309-E
Original 20707-E	PRELIMINARY STATEMENT, II. BALANCING ACCOUNTS, CALIFORNIA INSTITUTE FOR CLIMATE SOLUTIONS BALANCING ACCOUNT (CICSBA), Sheet 1	
Revised 20708-E	SCHEDULE E-CARE, CALIFORNIA ALTERNATE RATES FOR ENERGY, Sheet 1	Revised 20363-E
Revised 20709-E	TABLE OF CONTENTS, Sheet 1	Revised 20701-E
Revised 20710-E	TABLE OF CONTENTS, Sheet 2	Revised 20642-E
Revised 20711-E	TABLE OF CONTENTS, Sheet 4	Revised 20687-E



PRELIMINARY STATEMENT

II. BALANCING ACCOUNTS
DESCRIPTION/LISTING OF ACCOUNTS

Listing of Accounts

- California Alternate Rates for Energy (CARE) Balancing Account
- Rewards and Penalties Balancing Account (RPBA)
- Transition Cost Balancing Account (TCBA)
- Post-1997 Electric Energy Efficiency Balancing Account (PEEEBA)
- Research, Development and Demonstration (RD&D) Balancing Account
- Renewables Balancing Account (RBA)
- Tree Trimming Balancing Account (TTBA)
- Baseline Balancing Account (BBA)
- El Paso Turned-Back Capacity Balancing Account (EPTCBA)
- Energy Resource Recovery Account (ERRA)
- Low-Income Energy Efficiency Balancing Account (LIEEBA)
- Electric Vehicle Balancing Account (EVBA)
- Non-Fuel Generation Balancing Account (NGBA)
- Electric Procurement Energy Efficiency Balancing Account (EPEEBA)
- Common Area Balancing Account (CABA)
- Nuclear Decommissioning Adjustment Mechanism (NDAM)
- Pension Balancing Account (PBA)
- Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA)
- Community Choice Aggregation Implementation Balancing Account (CCAIBA)
- Electric Distribution Fixed Cost Account (EDFCA)
- Rate Design Settlement Component Account (RDSCA)
- California Solar Initiative Balancing Account (CSIBA)
- SONGS O&M Balancing Account (SONGSBA)
- Advanced Metering Infrastructure Balancing Account (AMIBA)
- California Institute for Climate Solutions Balancing Account (CICSBA)

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SCHEDULE E-CARE

Sheet 1

CALIFORNIA ALTERNATE RATES FOR ENERGY

APPLICABILITY

This schedule provides a California Alternate Rates for Energy (CARE) discount to each of the following types of customers listed below that meet the requirements for CARE eligibility as defined in Rule 1, Definitions, and herein, and is taken in conjunction with the customer's otherwise applicable service schedule.

- 1) Customers residing in a permanent single-family accommodation, separately metered by the Utility.
- 2) Multi-family dwelling units and mobile home parks supplied through one meter on a single premise and submetered to all individual units.
- 3) Non-profit group living facilities.
- 4) Agricultural employee housing facilities.

TERRITORY

Within the entire territory served by the Utility.

DISCOUNT

Qualified low income customers and living facilities will receive a 20% CARE discount on all customer, demand, and energy charges on their otherwise applicable service schedule. The discount will be based on the total bill as calculated for bundled service customers and applied by way of a reduction to the distribution rate component. In addition, the customer will be exempt from paying the CARE surcharge of \$0.00165 kWh and the California Institute for Climate Solutions (CICS) charge pursuant to Decision (D.) 08-04-039.

SPECIAL CONDITIONS

ALL CUSTOMERS

- 1. Applicable Conditions. All special conditions contained in the customer's otherwise applicable schedule are applicable to service under this schedule.
- 2. Application and Eligibility Declaration. An application and eligibility declaration, on a form authorized by the Commission, is required for service under the CARE program unless otherwise authorized by the Commission. Renewal of a customer's eligibility declaration, also referred to as recertification, will be required at the request of the Utility.
- 3. Commencement of CARE Discount. Eligible customers shall begin receiving the CARE discount no later than one billing period after receipt of a completed and approved application by the Utility or as may otherwise be authorized by the Commission.

(Continued)

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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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Advice Ltr. No. 2008-E

Decision No. 08-04-039

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Jul 28, 2008

Effective _____

Resolution No. _____



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Regulatory Affairs

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ATTACHMENT C

TABLE G-1

Summary of Annual Gas Transportation Revenues

SAN DIEGO GAS & ELECTRIC

2008 Consolidated Rate Filing Effective January 1, 2009

2008 Rate Model w/ CICS

		BCAP Volumes	At Present Rates		At Proposed Rates		Changes			
			Jan-1-08 Revenues	Average Rate	Jan-1-09 Revenues	Average Rate	Revenues	Rates	Percent	
		A	B	C	D	E	F	G	H	
		<i>mtherms</i>	<i>\$1,000</i> <i>1/</i>	<i>¢/therm</i>	<i>\$1,000</i> <i>1/</i>	<i>¢/therm</i>	<i>\$1,000</i>	<i>¢/therm</i>		
1	Residential 1/	326,207	\$189,454	58.078	\$189,454	58.078	\$0	0.000	0.0%	1
2	Comm & Industrial 1/	129,794	\$37,602	28.970	\$37,602	28.970	\$0	0.000	0.0%	2
3	NGV 1/	4,030	\$3,782	93.850	\$3,782	93.850	\$0	0.000	0.0%	3
4	Total CORE	460,031	\$230,838	50.179	\$230,838	50.179	\$0	0.000	0.0%	4
5										5
6	Comm & Industrial 1/	86,211	\$7,090	8.224	\$7,090	8.224	\$0	0.000	0.0%	6
7	<u>Elec Generation :</u>									7
8	Pre-Semprawide 1, 2/	897,926	\$34,606	3.854	\$34,606	3.854	\$0	0.000	0.0%	8
9	Adjustment 1, 2/		(\$1,452)	(0.162)	(\$1,452)	(0.162)	\$0	0.000	0.0%	9
10	EG Totals	897,926	\$33,154	3.692	\$33,154	3.692	\$0	0.000	0.0%	10
11										11
12	Total NCORE	984,137	\$40,243	4.089	\$40,243	4.089	\$0	0.000	0.0%	12
13										13
14	TRANSPORT RATE REV	1,444,168	\$271,082	18.771	\$271,082	18.771	\$0	0.000	0.0%	14
15										15
16	CICS Surcharge 3/				\$1,424	0.286	\$1,424	0.286		16
17										17
18	TRANSPORT RATE REV w/ CICS	1,444,168	\$271,082	18.771	\$272,505	18.869	\$1,424	0.099	0.5%	18

Notes 1/ Present Rates reflect gas rates filed in AL 1510-G-B, effective October 1, 2005.

Both Present and Proposed Rates exclude all costs related to SDG&E procurement, including CITCS charges.

2/ The Totals reflect a "stand-alone" EG rate for transportation service through both SDG&E and SoCalGas.

The Adjustment reflects the Semprawide rate adjustment to equalize the EG rates of SDG&E and SoCalGas.

3/ The CICS Surcharge is applied to transportation rates applicable to Residential, Core C&I, and NonCore C&I customers that are Non-CARE Eligible.

A CICS credit of \$0.229 cents per therm, or 80% of the surcharge, is applied to transportation rates applicable to Residential and Core C&I customers that are CARE Eligible.

ATTACHMENT D
ADVICE LETTER 1786-G

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
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PRELIMINARY STATEMENT

Sheet 2

IV. BALANCING ACCOUNTS
DESCRIPTION/LISTING OF ACCOUNTS

Listing of Accounts

- Interstate Transition Cost Surcharge Account (ITCS)
- Curtailment Penalty Funds Account (CPFA)
- California Alternate Rates for Energy (CARE) Balancing Account
- Natural Gas Vehicle (NGV) Adjustment Clause
- Gas Storage Balancing Account (GSBA)
- Core Interstate Transition Cost Surcharge Account (CITCS)
- Research, Development and Demonstration (RD&D) Balancing Account
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- California Institute for Climate Solutions Balancing Account (CICSBA)

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PRELIMINARY STATEMENT

Sheet 1

IV. BALANCING ACCOUNTS

CALIFORNIA INSTITUTE FOR CLIMATE SOLUTIONS BALANCING ACCOUNT (CICSBA)

1. Purpose

The CICSBA is an interest bearing balancing account that is reflected on the Utility's financial statements. The purpose of the account, which is effective January 1, 2009, is to track the difference between the actual funding collected from customers and actual payments made to the designated Collecting Agent. The Collecting Agent, as designated by the Commission, will be responsible for remitting the funds to the California Institute for Climate Solutions (CICS or Institute) for its administration and hub expenses (maximum of 10% of total CICS funding) or for awards directly to the grantees (minimum of 85% of CICS funding) pursuant to (D.) 08-04-039.

2. Applicability

The CICSBA will apply to all customer classes, excluding Electric Generation and customers eligible for the California Alternate Rates for Energy (CARE) programs.

3. Rates

Amounts in the CICSBA will be included in gas transportation rates annually.

4. Accounting Procedure

The Utility shall maintain the CICSBA by making entries at the end of the month as follows:

- a. A debit entry equal to the monthly payments made to the Collecting Agent for its allocation of the funding requirements of the Institute. Payments will be made to ensure that the annual funding requirements are received by March 31st prior to each year of the 10-year program cycle commencing on April 1, 2009;
- b. A credit entry equal to actual CICS revenues from revenue requirements authorized in rates, less FF&U;
- c. A credit entry equal to any net revenues associated with intellectual property under the applicable policies and protocols established by the Institute and adopted by the Commission;
- d. An entry equal to the interest on the average balance in the account at the beginning of the month and the balance after entries a. through c. above, at a rate equal to one-twelfth of the interest rate on a three-month Commercial Paper rate for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor publication; and
- e. An entry equal to the interest on the average of the balance in the amount during the month, calculated in the manner described in Preliminary Statement Part I, E.3.

5. Disposition

Any shortfall or excess recovery in collecting the annual CICS revenue requirement will be incorporated in the following year's update of CICS rates in connection with SDG&E's annual regulatory account balance update filing. Any unspent funds remaining at the end of the 10th year will be returned to ratepayers, unless the Commission acts to continue ratepayer funding of the Institute.

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SCHEDULE GR

Sheet 1

RESIDENTIAL NATURAL GAS SERVICE
(Includes Rates for GR, GR-C, GTC/GTCA)

APPLICABILITY

The GR rate is applicable to natural gas procurement service for individually metered residential customers.

The GR-C, cross-over rate, is a core procurement option for individually metered residential core transportation customers with annual consumption over 50,000 therms, as set forth in Special Condition 10.

The GTC/GTCA rate is applicable to intrastate gas transportation-only services to individually metered residential customers, as set forth in Special Condition 11.

Customers taking service under this schedule may be eligible for a 20% California Alternate Rate for Energy (CARE) program discount, reflected as a separate line item on the bill, if they qualify to receive service under the terms and conditions of Schedule G-CARE. In addition, CARE-eligible customer rates will reflect a credit of 0.229 cents per therm to remove an embedded charge applicable only to non-CARE customers, as a result of funding for the California Institute for Climate Solutions (CICS) authorized in D.08-04-039.

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TERRITORY

Within the entire territory served natural gas by the utility.

RATES

	<u>GR</u>	<u>GR-C</u>	<u>GTC/GTCA^{1/}</u>
<u>Baseline Rate</u> , per therm (baseline usage defined in Special Conditions 3 and 4):			
Procurement Charge: ^{2/}	\$1.08467	\$1.08467	N/A
Transmission Charge:	<u>\$0.51653</u>	<u>\$0.51653</u>	<u>\$0.51653</u>
Total Baseline Charge:	\$1.60119	\$1.60119	\$0.51653
 <u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):			
Procurement Charge: ^{2/}	\$1.08467	\$1.08467	N/A
Transmission Charge:	<u>\$0.75882</u>	<u>\$0.75882</u>	<u>\$0.75882</u>
Total Non-Baseline Charge:	\$1.84349	\$1.84349	\$0.75882

^{1/} The rates for core transportation-only customers, with the exception of customers taking service under Schedule GT-NGV, include any FERC Settlement Proceeds Memorandum Account (FSPMA) credit adjustments.

^{2/} This charge is applicable to Utility Procurement Customers and includes the GPC and GPC-A Procurement Charges shown in Schedule GPC which are subject to change monthly as set forth in Special Condition 7.

(Continued)



SCHEDULE G-CARE

Sheet 1

CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE) PROGRAM

APPLICABILITY

This schedule provides a California Alternate Rates for Energy (CARE) discount to each of the following types of customers listed below that meet the requirements for CARE eligibility as defined in Rule 1, Definitions, and herein, and is taken in conjunction with the customer's otherwise applicable service schedule.

- 1) Customers residing in a permanent single-family accommodation, separately metered by the Utility.
- 2) Multi-family dwelling units and mobile home parks supplied through one meter on a single premise and submetered to all individual units.
- 3) Non-profit group living facilities.
- 4) Agricultural employee housing facilities.

TERRITORY

Within the entire territory served natural gas by the Utility.

DISCOUNT

The qualified customer will receive a 20% CARE discount on all customer, commodity, and transportation charges on their otherwise applicable service schedule. In addition, the customer will not pay the CARE portion of the Public Purpose Programs Surcharge as specified in Schedule G-PPPS and are exempt from the California Institute for Climate Solutions (CICS) charge pursuant to Decision (D.) 08-04-039.

SPECIAL CONDITIONS

ALL CUSTOMERS

- 1. Applicable Conditions. All special conditions contained in the customer's otherwise applicable schedule are applicable to service under this schedule.
- 2. Application and Eligibility Declaration. An application and eligibility declaration, on a form authorized by the Commission, is required for service under the CARE program unless otherwise authorized by the Commission. Renewal of a customer's eligibility declaration, also referred to as recertification, will be required at the request of the Utility.
- 3. Commencement of CARE Discount. Eligible customers shall begin receiving the CARE discount no later than one billing period after receipt of a completed and approved application by the Utility or as may otherwise be authorized by the Commission.

(Continued)

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San Diego Gas & Electric Company
San Diego, California

Revised Cal. P.U.C. Sheet No. 17111-G

Canceling Revised Cal. P.U.C. Sheet No. 15805-G

SCHEDULE GM

Sheet 1

MULTI-FAMILY NATURAL GAS SERVICE
(Includes Rates for GM, GM-C and GTC/GTCA)

APPLICABILITY

This schedule is closed as of July 13, 1978 for gas service to: (a) new residential Mobilehome Parks where such Mobilehome Park tenants use gas directly in gas appliances in each occupancy; and (b) new Multi-family Accommodation structures where such multi-unit tenants use gas directly in gas appliances in each occupancy and which requires venting, except where equipped with only vented decorative appliances.

The GM rate is applicable to natural gas procurement service for Multi-family Accommodations, including service to common central space and/or water heating facilities, supplied through one meter on a single premises in accordance with the provisions of Rule 19. This schedule also applies to accommodations defined in Rule 1 as Residential Hotels.

The GM-C, cross-over rate, is a core procurement option for residential core transportation customers with annual consumption over 50,000 therms as set forth in Special Condition 11.

The GTC/GTCA rate is applicable to intrastate gas transportation-only services, as set forth in Special Condition 12.

Non-profit group living facilities taking service under this schedule may be eligible for a 20% low-income rate discount on their bill, if such facilities qualify to receive service under the terms and conditions of Schedule G-CARE.

Agricultural Employee Housing Facilities, as defined in Schedule G-CARE, may qualify for a 20% CARE discount on the bill if all eligibility criteria set forth in Form 142-4032 or Form 142-4035 is met.

In addition, CARE-eligible customer rates will reflect a credit of 0.229 cents per therm to remove an embedded charge applicable only to non-CARE customers, as a result of funding for the California Institute for Climate Solutions (CICS) authorized in D.08-04-039.

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Multi-family Accommodations built prior to July 13, 1978 and served under GM rate may also be eligible for service under Schedule GS. If an eligible Multi-family Accommodation or residential hotel served under GM rate converts to an applicable submetered tariff, the tenant rental charges shall be revised for the duration of the lease to reflect the removal of the energy related charges.

Eligibility for service hereunder is subject to verification by the Utility.

TERRITORY

Within the entire territory served natural gas by the Utility.

(Continued)

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SCHEDULE GS

Sheet 1

SUBMETERED MULTI-FAMILY AND MOBILEHOME PARK NATURAL GAS SERVICE

(Includes Rates for GS/GT, GS/GT-C, and GTC/GTCA)

APPLICABILITY

This schedule is closed as of December 13, 1981 for gas service to new Multi-family Accommodation structures where such multi-unit tenants use gas directly in gas appliances in each occupancy and which requires venting, except where equipped with only vented decorative appliances. This schedule is closed to new Mobilehome Parks or manufactured housing communities for which construction has commenced after January 1, 1997.

The GS rate is applicable to natural gas procurement service for Multi-family Accommodations and the GT rate is applicable to Mobilehome Parks supplied through one meter on a single premises and submetered to all individual units in accordance with the provisions of Rule 19. The GS and GT rates are the same with the exception of the applicable Submetering Credit outlined on Sheet 2 of this Schedule.

The GS-C/GT-C, Cross Over Rate, is a core procurement option for submetered core transportation customers with annual consumption over 50,000 therms as set forth in Special Condition 10.

The GTC/GTCA rate is applicable to intrastate gas transportation-only services to submetered residential customers, as set forth in Special Condition 11.

Customers taking service under this schedule may be eligible for a 20% California Alternate Rates for Energy (CARE) program discount, reflected as a separate line item on the bill, if they qualify to receive service under the terms and conditions of Schedule G-CARE. In addition, CARE-eligible customer rates will reflect a credit of 0.229 cents per therm to remove an embedded charge applicable only to non-CARE customers, as a result of funding for the California Institute for Climate Solutions (CICS) authorized in D.08-04-039.

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TERRITORY

Within the entire territory served natural gas by the Utility.

RATES

	<u>GS/GT</u>	<u>GS-C/GT-C</u>	<u>GTC/GTCA</u> ^{1/}
<u>Baseline Rate</u> , per therm (baseline usage defined in Special Conditions 4 and 5)			
Procurement Charge ^{2/}	\$1.08467	\$1.08467	N/A
Transportation Charge	<u>\$0.51653</u>	<u>\$0.51653</u>	<u>\$0.51653</u>
Total Baseline Charge.....	\$1.60119	\$1.60119	\$0.51653
<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage)			
Procurement Charge ^{2/}	\$1.08467	\$1.08467	N/A
Transportation Charge.....	<u>\$0.75882</u>	<u>\$0.75882</u>	<u>\$0.75882</u>
Total Non-Baseline Charge.....	\$1.84349	\$1.84349	\$0.75882

^{1/} The rates for core transportation-only customers, with the exception of customers taking service under Schedule GT-NGV, include any FERC Settlement Proceeds Memorandum Account (FSPMA) credit adjustments.

^{2/}This charge is applicable to Utility procurement customers and includes the GPC and GPC-A Procurement charges shown in Schedule GPC which are subject to change monthly as set forth in Special Condition 7.

(Continued)



SCHEDULE GN-3

Sheet 1

NATURAL GAS SERVICE FOR CORE COMMERCIAL CUSTOMERS
(Includes Rates for GN-3, GN-3C, and GTC/GTCA)

APPLICABILITY

Applicable to core nonresidential natural gas service, including both procurement service and transportation-only service including Core Aggregation Transportation (CAT). Also applicable to service not provided under any other rate schedule. Pursuant to D.02-08-065, this schedule is not available to electric generation, refinery, and enhanced oil recovery customers whose gas consumption exceeds 250,000 therms per year.

The GN-3 rate is applicable to natural gas procurement and transportation service to nonresidential core customers.

The GN-3C cross-over rate is a core procurement service for previous nonresidential transportation-only customers returning to core procurement service customers with annual consumption over 50,000 therms, as set forth in Special Condition 9.

The GTC/GTCA rate is applicable to intrastate gas transportation-only services to nonresidential customers as set forth in Special Conditions 10-16.

Non-profit group living facilities taking service under this schedule may be eligible for a 20% low-income rate discount on their bill, if such facilities qualify to receive service under the terms and conditions of Schedule G-CARE.

Agricultural Employee Housing Facilities, as defined in Schedule G-CARE, may qualify for a 20% CARE discount on the bill if all eligibility criteria set forth in Form 142-4032 or Form 142-4035 is met.

In addition, CARE-eligible customer rates will reflect a credit of 0.229 cents per therm to remove an embedded charge applicable only to non-CARE customers, as a result of funding for the California Institute for Climate Solutions (CICS) authorized in D.08-04-039.

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TERRITORY

Within the entire territory served natural gas by the Utility.

RATES

GN-3

GN-3-C

Customer charges, \$ per meter per month:
(Annualized monthly usage¹ between)

0 to	1,000	\$5.58	\$5.58
1,001 to	21,000	\$11.16	\$11.16
Over	21,000	\$111.61	\$111.61

Notes: ¹ Annualized monthly usage is defined as the customer's average usage per month for the past 12 billing months.

(Continued)

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SCHEDULE G-NGVR

Sheet 1

NATURAL GAS SERVICE FOR HOME REFUELING OF MOTOR VEHICLES
(Includes G-NGVR, G-NGVR-C, and GT-NGVR Rates)

APPLICABILITY

The G-NGVR rate is applicable to natural gas procurement service for individually metered residential customers who have an installed natural gas vehicle (NGV) home refueling appliance, as set forth in Special Conditions 3.

The G-NGVR-C, cross-over rate, is a core procurement option for individually metered residential core transportation customers with annual consumption over 50,000 therms, as set forth in Special Condition 9.

The GT-NGVR rate is applicable to intrastate gas transportation-only services to individually metered residential customers, as set forth in Special Condition 10.

Customers taking service under this schedule may also be eligible for a 20% California Alternate Rates for Energy (CARE) program discount, reflected as a separate line item on the bill, if they qualify to receive service under the terms and conditions of Schedule G-CARE. In addition, CARE-eligible customer rates will reflect a credit of 0.229 cents per therm to remove an embedded charge applicable only to non-CARE customers, as a result of funding for the California Institute for Climate Solutions (CICS) authorized in D.08-04-039.

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TERRITORY

Within the entire territory served natural gas by the utility.

RATES

	<u>G-NGVR</u>	<u>G-NGVR-C</u>	<u>GT-NGVR</u>
<u>Customer Charge</u> , per meter month	\$5.00	\$5.00	\$5.00
<u>Rate</u> , per therm:			
Procurement Charge: ^{1/}	\$1.08467	\$1.08467	N/A
Transmission Charge:.....	<u>\$0.28787</u>	<u>\$0.28787</u>	<u>\$0.28787</u>
Total Charge:	<u>\$1.37253</u>	<u>\$1.37253</u>	<u>\$0.28787</u>

Franchise Fee Differential:

A Franchise Fee Differential of 1.03% will be applied to the monthly billings calculated under this schedule for all customers within the corporate limits of the City of San Diego. Such Franchise Fee Differential shall be so indicated and added as a separate item to bills rendered to such customers.

^{1/} This charge is applicable to Utility Procurement Customers and includes the GPC and GPC-A Procurement Charges shown in Schedule GPC which are subject to change monthly as set forth in Special Condition 6.

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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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Lee Schavrien
Senior Vice President
Regulatory Affairs

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