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December 5, 2008

ADVICE LETTER 2046-E
(U902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: MODIFICATION OF RULE 19, FURNISHING AND METERING OF
ELECTRICITY, TO ALLOW SUBMETERING FOR COLD-IRONING LOADS**

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

The purpose of this Advice Letter is to seek California Public Utilities Commission (Commission) approval of a modification to Rule 19 to allow certain master metered customers (e.g., terminal operators), who are located in the Port of San Diego (POSD) to submeter and bill "cold-ironing" load. Cold-ironing is the process in which a docked ocean going vessel or other craft is powered with shore based electrical power in lieu of the vessel's on board auxiliary electric generation.

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

BACKGROUND

While in port, vessels using their own diesel-powered engines emit significant air pollutants, including nitrogen oxides (NOx), sulfur oxides (SOx), hydrocarbons, and carbon monoxide. Currently, when a cruise ship visits the POSD, the ship continues to run its diesel-electric engine to generate electricity for onboard power needs such as lights, pumps, refrigeration, and other functions while docked. Additionally, refrigerated cargo vessels continue to generate power for refrigeration and lights by operating auxiliary engines until their load is transferred to shore. This pier-side power generation is referred to as "hotelling". The hotelling operations at the Cruise Ship terminal (Pier B) and 10th Avenue Marine Terminal represent a significant

portion of the air emissions from shipping activity in the POSD¹.

The POSD had 235 cruise ships visit Terminal B during 2007, with a total quantity of NOx emissions estimated at 245 tons. Additionally, the POSD receives a refrigerated container vessel at its 10th Avenue Marine Terminal weekly, with an average length of stay of 62 hours, with the total annual NOx emissions estimated at 127 tons.²

One method for reducing hotelling vessel emissions is called “cold-ironing.” Cold-ironing refers to shutting down auxiliary engines on ships while in port and connecting to electrical power supplied at the dock, thus eliminating virtually all emissions from a ship while it’s at port.

The California Air Resources Board (CARB) estimates that port electrification of a vessel can reduce its emissions of NOx and diesel PM by more than 90%. Moreover, greenhouse gas (GHG) emissions, such as carbon dioxide, are also reduced depending on the source of the electricity provided to the vessel.³

Various state agencies have taken action to encourage cold-ironing. CARB adopted regulations for California ports and certain ocean-going vessels that visit California in order to reduce emissions from hotelling. These regulations require vessels to either shut down their auxiliary engines for most of the time while in port or to reduce emissions from those auxiliary engines by specified degrees while docked. In September 2006, Assembly Bill 32 (AB 32) also known as the California Global Warming Solutions Act of 2006, was signed into law. This landmark climate change legislation attempts to address the impacts of global warming by requiring that California reduce its GHG emissions to 1990 levels by 2020.⁴ And, as part of its comprehensive strategy to significantly reduce the air pollution associated with port-related sources, Assembly Bill 1678 directed the San Diego Unified Port District (SDUPD) to identify sources of air pollution within the Port District jurisdiction and determine ways to reduce air emissions. The SDUPD and SDG&E have been in discussions concerning needed electrical infrastructure to accommodate cold-ironing load at the port.

DISCUSSION

Consistent with state and city policy encouraging the development of cold-ironing, SDG&E seeks to modify Rule 19 to allow master-metered customers to submeter cold-ironing load.

The modification will permit SDG&E master-metered customers who are located in the POSD the option to submeter and bill a tenant’s cold-ironing load. This revision will also allow master-metered customers greater flexibility in managing their electric costs to further promote and encourage cold-ironing of cruise ships and refrigerated vessels.

The submetering modification will be applicable to SDG&E master-metered customers located at the Port of San Diego, consistent with the aforementioned CARB regulations, and will be restricted to cold-ironing load.

¹ Port of San Diego Cold Ironing Study (May 2007).

² Port of San Diego Cold Ironing Study (May 2007).

³ CARB Expanded List of Early Action Measures to Reduce Greenhouse Gas Emissions in California Recommended for Board Consideration (October 2007).

⁴ California Health & Safety Code § 38500 et seq.

SDG&E's proposed rule modification also requires that the rates and charges billed by the master-metered customer to the submetered user for services supplied by SDG&E must not exceed the rates and charges the master-metered customer is billed by SDG&E for such services. This limitation is similar to the provision in Rule 19.B.3 for operators of a small craft harbor or marina who are allowed to submeter tenant load aboard a boat.

Southern California Edison (SCE) recently filed a similar Advice Letter (2231-E-A)⁵ pursuant to Commission Resolution E-4173, which approved SCE's proposal to allow submetering of cold-ironing load.

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 respectfully requests that the Advice Letter become effective January 4, 2009, 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

⁵ SCE Advice Letter 2231-E-A was approved by the Commission on September 8, 2008.

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.

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: Megan Caulson

Phone #: (858) 654-1748

E-mail: MCaulson@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) #: 2046-E

Subject of AL: Modification of Rule 19, Furnishing and Metering of Electricity, to allow submetering for cold ironing loads.

Keywords (choose from CPUC listing): Rules, Metering

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

N/A

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: 1/4/09

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: Rule 19 and 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.

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California Energy Markets

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California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

CCSE

S. Freedman
J. Porter

Children's Hospital & Health Center

T. Jacoby

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E. Hull

City of Poway

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City of San Diego

J. Cervantes
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W. Chen

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Davis Wright Tremaine, LLP

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Douglass & Liddell

D. Douglass
D. Liddell
G. Klatt

Duke Energy North America

M. Gillette

Dynergy, 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

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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

ATTACHMENT
ADVICE LETTER 2046-E

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 20925-E	RULE 19, SUPPLY TO SEPARATE PREMISES AND RESALE, Sheet 3	Revised 20592-E
Revised 20926-E	RULE 19, SUPPLY TO SEPARATE PREMISES AND RESALE, Sheet 4	Original 20593-E
Revised 20927-E	TABLE OF CONTENTS, Sheet 1	Revised 20859-E
Revised 20928-E	TABLE OF CONTENTS, RULES, Sheet 7	Revised 20469-E



RULE 19

SUPPLY TO SEPARATE PREMISES AND RESALE

B. Furnishing and Metering of Electricity (Continued)

2. b. Multi-Tenant Non-Residential Service (Continued)

2. Where a master-metered customer installs, owns, and maintains electric submeters on its existing building's distribution system for cost allocation of dynamic pricing and/or conservation incentive purposes, the cost of electricity allocated to the commercial building tenants will be billed at the same rate as the master meter billed by SDG&E under the CPUC approved rate schedule serving the master meter.

3. Marinas and Small Craft Harbors

- a. The Utility will furnish electrical service to a privately or publicly owned marina or small craft harbor through a master meter. The master meter customer may submeter tenant usage aboard a vessel moored in an individual boat slip or berth at the marina or harbor but may not submeter any other tenant usage e.g., stores, gas pumps on docks, or any land-based facility.
- b. If the master meter customer submeters and furnishes electricity to individual boat slips or berths for tenant usage aboard a vessel, the rates and charges to the tenant must not exceed those charges that would apply under Schedule A for non-residential vessels such as non-live-aboard recreation and/or fishing boats, and Schedules DR or DR-LI for authorized live-aboard vessels.

4. Cold-Ironing Load

Cold-ironing load is defined as the use of shore-supplied electricity for the lights, heating, cooling, machinery, and other needs of an ocean-going vessel while at berth or otherwise electrically connected, as replacement for the vessel's auxiliary internal electric generation.

- a. A master-metered customer may submeter a tenant's cold-ironing load aboard an ocean-going vessel at the Port of San Diego but may not submeter any other load or land-based facility.
- b. If the master-metered customer submeters cold-ironing load to an ocean-going vessel, the rates and charges to the submetered user for services supplied by SDG&E must not exceed the rates and charges the master-metered customer is billed by SDG&E for such services.

5. Conversion from Non-Residential Purpose to Residential Use

Buildings originally constructed for a non-residential purpose that subsequently converted to residential use on or after December 13, 1981 without the need for a building permit shall be eligible to convert from their prior rate schedule to an existing applicable residential service submetering rate schedule. Any non-residential building converted to residential use for which a building permit was required on or after July 1, 1982, must be separately metered by the Utility.

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RULE 19

Sheet 4

SUPPLY TO SEPARATE PREMISES AND RESALE

C. Submeter Maintenance and Testing

Where the customer is the owner or operator of a marina, mobilehome park, or existing multi-family accommodation and submeters and furnishes electricity to tenants in accordance with Sections B.1.d.2 or B.2.b. above, said customer shall furnish, install, own, maintain and test the submeters and submeter system.

D. Other Uses and Premises

1. A customer shall not furnish or use electricity received from the Utility upon other premises, except for the Utility's operating convenience, or for other purposes than those specified in the customer's application for service or in the applicable rate schedule.
2. Commercial submetering of electricity is prohibited except as provided in Section B.2.b., above.
3. In the event such electricity is submetered other than as provided for above, the Utility may either discontinue service to the customer, or furnish electricity directly to the tenant at the option of the Utility

E. Direct Access

Refer to Rule 25, Direct Access Rules, for situations involving submetering and resale.

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Advice Ltr. No. 2046-E

Decision No. _____

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Dec 5, 2008

Effective Jan 4, 2009

Resolution No. _____



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