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December 12, 2008

**ADVICE LETTER 2047-E**  
(U 902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: REVISIONS TO THE DWR POWER CHARGE AND DWR BOND CHARGE  
PURSUANT TO D.08-12-006**

San Diego Gas & Electric Company (SDG&E) hereby submits the following revisions applicable to its electric tariffs, as shown on Attachment B.

**PURPOSE**

In accordance with Ordering Paragraphs 1 and 2 of California Public Utilities Commission (Commission) Decision (D.) 08-12-006, SDG&E hereby revises its Schedule EECC, Electric Energy Commodity Cost and Schedule DWR-BC the Department of Water Resources Bond charge, to reflect the 2009 Department of Water Resources (DWR) power charge remittance rate based on SDG&E's allocation of the DWR revenue requirement adopted by D.08-12-006.

**BACKGROUND**

On June 30, 2005, the Commission issued D.05-06-060, which adopted a permanent cost allocation methodology to be applied to the DWR annual revenue requirement for its power purchases retroactive to the period January 1, 2004 through the remaining term of the DWR power purchase contracts.

D.08-12-006 approves the 2009 DWR power charge. Accordingly, SDG&E and DWR have agreed to a revised bundled customer DWR power charge remittance rate of 11.004 cents per kilowatt-hour (kWh), to be effective January 1, 2009, as shown on Attachment A.

In compliance with OP 2 of D.08-12-006, the 2009 DWR Bond Charge rate is increasing to \$.00491 per kWh from \$.00477 per kWh.

Prior to the end of this year, SDG&E intends to file an advice letter to consolidate all of its electric rate adjustments authorized to become effective January 1, 2009, including implementation of the revised DWR revenue requirement, which include the revised DWR power charge and DWR bond charge pursuant to D.08-12-006.

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.

**EFFECTIVE DATE**

SDG&E believes that this filing is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to GO 96-B. SDG&E respectfully requests that this filing become effective on January 1, 2009, subject to review by the Commission's Energy Division.

**PROTEST**

Anyone may protest this advice letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impacts, 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 CPUC. 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 Gatchallian (jnj@cpuc.ca.gov) and Maria Salinas (mas@cpuc.ca.gov) of the Energy Division. It is also requested that a copy of the protest 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 in R.06-07-010, 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.

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KEN DEREMER  
Director — Tariffs & Regulatory Accounts

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: 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) #: 2047-E

Subject of AL: Revisions to the DWR Power Charge and DWR Bond Charge Pursuant to D.08-12-006

Keywords (choose from CPUC listing): Compliance, DWR

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

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

D.08-12-006

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL N/A

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: N/A

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

Resolution Required?  Yes  No

Tier Designation:  1     2     3

Requested effective date: 1/1/09

No. of tariff sheets: 5

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: Schedules DWR-BC, EECC and TOC

Service affected and changes proposed<sup>1</sup>: 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**

<sup>1</sup> 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

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S. Freedman  
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City of Chula Vista

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J. Cervantes  
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Commerce Energy Group

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Constellation New Energy

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Davis Wright Tremaine, LLP

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Dept. of General Services

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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

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U.S. Dept. of the Navy

K. Davoodi

N. Furuta

L. DeLaacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties In:

R.06-07-010

ATTACHMENT A

San Diego Gas & Electric Company  
Advice Letter No. 2047-E

Allocation of 2009 DWR Revenue Requirement to SDG&E and Remittance Rate Calculation (ref. D.08-12-006, Appendix A)  
(Dollars in millions)

Line	Description	SDG&E	Reference
1	Allocation Percentages	10.30%	Decision 05-06-060
2			
3	2004-2007 Revenues	2,770	Actuals
4	2004-2007 Expenses	2,929	Actuals
5	Amount to be collected from/(returned to) the IOU USBA	(159)	Line 3 - Line 4
6			
7	2008 Revenues	589	actuals through Sep-08 then projected
8	2008 Expenses	531	actuals through Sep-08 then projected
9	Amount to be collected from/(returned to) the IOU USBA	58	Line 7 - Line 8
10			
11	<b>Balancing Calculation</b>		
12	December 31, 2009 Projected PCA Balance: Desired Allocation	138	
13	January 1, 2004 Starting PCA Balances: Desired Allocation	171	
14	Amount to be collected from/(returned to) the IOU USBA	(33)	Line 12 - Line 13
15			
16	Prior True-ups (2001/02, 2003, 2008 Calpine2)	135	
17	2004-2008 True-up	(100)	Line 5 + Line 9
18	Starting and Ending balance True-up	(33)	Line 14
19	Amount to be collected from/(returned to) the IOU USBA	2	Subtotal
20			
21	<b>2009 Revenue Requirement Determination</b>		
22	Avoidable Costs	203	2009RptRR
23	Net Non-Avoidable Costs	376	2009RptRR
24	Los Esteros Contract Cost		
25	Calpine 2 Contract Cost Reduction Credit		
26	Gas Collateral Cost	(2)	2009RptRR
27	Administrative and General	3	2009RptRR
28	Other Non-Allocated Costs	-	2009RptRR
29	Surplus Revenue	(5)	2009RptRR
30	Interest Earnings on Fund Balance	(4)	2009RptRR
31	Balance Transfer between IOUs	2	Line 19
		<b>\$ 573</b>	
<b>Rate Calculation Table</b>			
1	<b>Revenue Requirement Allocated to SDG&amp;E Customers</b>	<b>\$ 573</b>	
2	less: Estimated Direct Access CRS Revenues	-	
3	Bundled Revenue requirement	573	
4	DWR Delivered Energy (GWh)	5,211	
5	Calendar Year Remittance Rate (\$/kWh)	<b>\$ 0.11004</b>	

ATTACHMENT B  
ADVICE LETTER 2047-E

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 20932-E	SCHEDULE DWR-BC, DEPARTMENT OF WATER RESOURCES BOND CHARGE, Sheet 1	Revised 20348-E
Revised 20933-E	SCHEDULE EECC, ELECTRIC ENERGY COMMODITY COST, Sheet 9	Revised 20797-E
Revised 20934-E	TABLE OF CONTENTS, Sheet 1	Revised 20927-E
Revised 20935-E	TABLE OF CONTENTS, SCHEDULE OF RATES, Sheet 5	Revised 20919-E
Revised 20936-E	TABLE OF CONTENTS, Sheet 6	Revised 20886-E



**SCHEDULE DWR-BC**

Sheet 1

DEPARTMENT OF WATER RESOURCES BOND CHARGE

APPLICABILITY

This schedule is applicable to all 1) electric commodity customers, 2) direct access customers who are responsible for the Direct Access Cost Responsibility Surcharge shown on Schedule DA-CRS, 3) customers participating in Community Choice Aggregation as set forth on Schedule CCA and 4) customer generation departing load customers as set forth on Schedule CGDL-CRS. Customers receiving discounts under the California Alternate Rates for Energy (CARE) Program and customers receiving a medical baseline allowance are also exempt from this charge. The rate on this schedule is to be added to the rates from the customer's otherwise applicable schedule(s).

TERRITORY

Within the entire territory served by the Utility.

RATES

Pursuant to Commission Decision (D.) 02-10-063 (as modified by D.02-11-022 and D.02-12-082), D.03-04-030, D.07-12-030 and D.08-12-006, the Utility is required to impose this charge on its electric commodity customers, non-continuous direct access customers, and certain customer generation departing load customers to repay the California Department of Water Resources (DWR) for bond-related costs. The DWR issued bonds to repay its debt associated with purchasing power on behalf of California energy consumers.

Energy rate, \$/kWh ..... 0.00491

Municipal Surcharge: Amounts calculated under this Schedule are subject to a municipal surcharge as provided in Sections 6350 through 6354.1 of the Public Utilities Code.

SPECIAL CONDITIONS

1. Definitions. The Definitions of principal terms used in this schedule are found either herein or in Rule 1, Definitions.
2. Customer Generation Departing Load: The bond charge obligation for customer generation departing load will be based on metered consumption. If reliable metered consumption information is not made available to the utility, the utility will estimate the consumption based on that customer's historical load at the time the customer discontinues or reduces retail services with the utility.

1H9

Advice Ltr. No. 2047-E

Decision No. 08-12-006

Issued by  
**Lee Schavrien**  
Senior Vice President  
Regulatory Affairs

Date Filed Dec 12, 2008

Effective Jan 1, 2009

Resolution No. \_\_\_\_\_



**SCHEDULE EECC**

Sheet 9

ELECTRIC ENERGY COMMODITY COST

RATES (Continued)

Commodity Rates (Continued)

<u>Schedule PA-T-1 (Continued)</u>	<b>(\$/kWh)</b>
On-Peak Energy: Winter	
Secondary	<b>0.10621</b>
Primary	<b>0.10461</b>
Transmission	<b>0.10274</b>
Semi-Peak Energy: Winter	
Secondary	<b>0.09764</b>
Primary	<b>0.09609</b>
Transmission	<b>0.09456</b>
Off-Peak Energy: Winter	
Secondary	<b>0.07276</b>
Primary	<b>0.07140</b>
Transmission	<b>0.07046</b>
 <u>Schedule PA</u>	 <b>(\$/kWh)</b>
Summer	<b>0.10272</b>
Winter	<b>0.07340</b>
 <u>Schedules Ls-1, LS-2, LS-3, OL-1, and DWL</u>	 <b>(\$/kWh)</b>
All Usage	<b>0.06433</b>

DWR Power Charge

Pursuant to CPUC Decision 08-12-006, DWR's Power Charge is 11.004 cents per kWh.

Franchise Fees

A Franchise Fee Differential of 5.78% will be applied to the total bills calculated under this schedule, including DWR charges, for all customers residing 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.

Franchise Fees associated with DWR electricity sales will be reflected in a separate line item on customer bills titled "Franchise Fees for Electric Energy Supplied by Others".

Seasonal Periods

The seasonal periods are defined as the following:

Residential:

    Summer: May 1 – October 31  
    Winter: November 1 – April 30

All other classes:

    Summer: May 1 – September 30  
    Winter: October 1 – April 30

(Continued)

9H9

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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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Advice Ltr. No. 2047-E

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Senior Vice President  
Regulatory Affairs

Date Filed Dec 12, 2008

Effective Jan 1, 2009

Resolution No. \_\_\_\_\_



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