

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



May 11, 2010

Advice Letter 2123-E/1901-G

Ronald van der Leeden, Director
Rates, Revenues and Tariffs
San Diego Gas and Electric
8330 Century Park Court, CP32C
San Diego, CA 92123-1548

**Subject: Establishment of the On-Bill Financing (OBF) Loan Pool and the
On-Bill Financing Balancing Account (OBFBA) in Compliance
with D.09-09-047**

Dear Mr. van der Leeden:

Advice Letter 2123-E/1901-G is effective September 24, 2009.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



Ron van der Leeden
 Director
 Rates, Revenues & Tariffs
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 San Diego, CA 92123-1548

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November 6, 2009

ADVICE LETTER 2123-E/1901-G
 (U 902-G)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUBJECT: ESTABLISHMENT OF THE ON-BILL FINANCING (OBF) LOAN POOL AND THE ON-BILL FINANCING BALANCING ACCOUNT (OBFBA) IN COMPLIANCE WITH DECISION (D.)09-09-047

San Diego Gas & Electric Company (SDG&E) hereby transmits for filing the following changes to its electric and gas tariffs, as shown on Attachments A & B, respectively.

PURPOSE

This filing seeks approval to establish the OBFBA consistent with the OBF Program proposed in Application (A.) 08-07-023 and adopted in D.09-09-047, as further described below, and modify its electric Post-1997 Electric Energy Efficiency Balancing Account (PEEEBA) and gas Post-2005 Gas Energy Efficiency Balancing Account (PGEEBA). This filing also revises SDG&E's rates to establish the OBF loan pool for the initial year of the 2010-2012 energy efficiency program cycle in electric distribution and gas transportation rates effective January 1, 2010.

BACKGROUND

Pursuant to D.09-09-047, the Commission approved SDG&E and other California investor owned utilities' energy efficiency programs and budgets for the 2010-2012 program cycle. The programs and budgets authorized in this decision will make significant progress toward the Commission's Strategic Plan goals and adopted Big, Bold Energy Efficiency Programmatic Initiatives, including taking the next steps towards achieving zero net energy homes in California as standard practice by 2020 and zero net energy commercial buildings by 2030. SDG&E's budget for the three-year period is \$278 million.

ESTABLISHMENT OF THE OBFBA

SDG&E's approved energy efficiency portfolio includes the OBF Program. The OBF Program is designed primarily to facilitate the purchase and installation of comprehensive, qualified energy efficiency measures by customers who might not otherwise be able to act given capital constraints and/or administrative and time burdens. SDG&E plans to establish a \$9.0 million sustainable loan pool from non-Public Goods Charge ("PGC") ratepayer funds to fund loans during the program cycle period. This loan pool will consist of the transfer of SDG&E's remaining loan balances of existing loans (approximately \$6.0 million) to the newly created ratepayer-funded loan pool to account for the

transition from utility working cash to ratepayer funding at the beginning of the 2010-2012 program cycle and \$1 million each year over the three years from 2010 to 2012.

To track the loan pool funding, SDG&E will establish the OBFBA. The OBFBA is an interest bearing, two-way balancing account which will track the difference between ratepayer funding and actual loans provided to customers participating in SDG&E's OBF program. However, the cost of loan defaults will be charged to SDG&E's electric PEEEEBA and gas PGEEBA, respectively. The authorized funding will be collected through electric distribution rates and allocated based on the currently adopted methodology for miscellaneous add-ons, System Average Percent Change ("SAPC"); and through gas transportation rates and allocated to customers based on Equal Percent of Marginal Cost ("EPMC").

CUSTOMER RATE IMPACT

SDG&E revenue requirement will increase by \$7.0 million (excluding FF&U) for the initial year of the three-year energy efficiency program cycle to cover existing OBF loans and new loans made in 2010. Subsequent increases to SDG&E's revenue requirement will be made in connection with SDG&E's annual regulatory account update filing to increase the OBF loan pool by an additional \$1.0 million per year for 2011 and 2012.

It should be noted that the revenue requirement herein does not include other revenue requirement adjustments authorized or expected to be authorized by the Commission for implementation in transportation rates effective January 1, 2010. SDG&E will file an advice letter consolidating all Commission-authorized changes in its revenue requirement, and the related changes to its rates, at least three days prior to the January 1, 2010 effective date of such rates.

Included with this filing are the Annual Electric Distribution (Attachment C) and Gas Transportation Revenue (Attachment D) tables summarizing revenue changes and present and proposed rates.

Electric Revenue Requirement Impact by Class of Service

<u>Class of Service</u>	<u>Applicable Rate Schedules</u>	<u>Net \$000's Increase/(Decrease)</u>
Residential	DR, DR-TOU, DR-SES, DM, DS, DT, DT-RV, DR-TOU-DER, EV-TOU, EV-TOU-2, EV-TOU-3	\$2,366
Small C&I	A, A-TC, A-TOU	\$686
Medium and Large C&I	AD, AL-TOU, AL-TOU-DER, AY-TOU, A6-TOU, S, PA-T-1	\$2,956
Agriculture	PA	\$28
Lighting	LS-1, LS-2, LS-3, OL-1, DWL	\$34
<hr/> TOTAL		<hr/> \$6,070

Gas Revenue Requirement Impact by Class of Service

<u>Class of Service</u>	<u>Applicable Rate Schedules</u>	<u>Net \$000's Increase/(Decrease)</u>
Core	GR, GS, GM, GN-3, G-NGV, G-NGVR, GPC, GTC, GTCA, GTC-SD, GPC, GT-NGV,	\$1,035
Noncore	GTNC, GTNC-SD, EG, EG-SD	\$33
<hr/>		
TOTAL		<hr/> \$1,068

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 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 Honesto Gatchalian (inj@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: Megan Caulson
Regulatory Tariff Manager
8330 Century Park Court, CP 32
San Diego, CA 92123-1550
Facsimile No. (858) 654-1788
E-mail: mcaulson@semprautilities.com

EFFECTIVE DATE

SDG&E believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to GO 96-B. SDG&E respectfully requests that this filing become effective on September 24, 2009 (the effective date of D.09-09-047); subject to review by the Commission's Energy Division, for the inclusion in rates effective January 1, 2010.

NOTICE

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties in A.08-07-023, by providing them a copy hereof either electronically or via the U.S. mail, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by facsimile at (858) 654-1788 or by e-mail at SDG&ETariffs@semprautilities.com.

RON VAN DER LEEDEN
Director – Rates, Revenues & Tariffs

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SAN DIEGO GAS & ELECTRIC (U 902)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Christina Sondrini

Phone #: (858) 636-5736

E-mail: csondrini@semprautilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2123-E/1901-G

Subject of AL: Establishment of the On-Bill Financing (OBF) Loan Pool and the On-Bill Financing
Balancing Account (OBFBA) in Compliance with D.09-09-047

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.09-09-047

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: N/A

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 9/24/09

No. of tariff sheets: 10

Estimated system annual revenue effect (%): 0.18/0.4%

Estimated system average rate effect (%): 0.18%

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: Please See Table of Contents

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: 2024-E

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

mas@cpuc.ca.gov and jnj@cpuc.ca.gov

San Diego Gas & Electric

Attention: Megan Caulson

8330 Century Park Ct, Room 32C

San Diego, CA 92123

mcaulson@semprautilities.com

¹ Discuss in AL if more space is needed.

General Order No. 96-B
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

D. Appling
S. Cauchois
J. Greig
R. Pocta
W. Scott

Energy Division

P. Clanon
H. Gatchalian
D. Lafrenz
M. Salinas

CA. Energy Commission

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Alcantar & Kahl LLP

K. Harteloo

American Energy Institute

C. King

APS Energy Services

J. Schenk

BP Energy Company

J. Zaiontz

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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

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Children's Hospital & Health Center

T. Jacoby

City of Chula Vista

M. Meacham
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City of Poway

R. Willcox

City of San Diego

J. Cervantes
G. Lonergan
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Commerce Energy Group

V. Gan

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A. Friedl

Davis Wright Tremaine, LLP

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Dept. of General Services

H. Nanjo
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D. Douglass
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Duke Energy North America

M. Gillette

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J. Paul

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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
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Goodrich Aerostructures Group

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Luce, Forward, Hamilton & Scripps LLP

J. Leslie

Manatt, Phelps & Phillips LLP

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R. Keen

Matthew V. Brady & Associates

M. Brady

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

Pacific Gas & Electric Co.

M. Huffman
S. Lawrie
E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

R. W. Beck, Inc.

C. Elder

San Diego Regional Energy Office

S. Freedman
J. Porter

School Project for Utility Rate Reduction

M. Rochman

Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

F. Chiang

Sutherland Asbill & Brennan LLP

K. McCrea

Southern California Edison Co.

M. Alexander
K. Cini
K. Gansecki
H. Romero

TransCanada

R. Hunter
D. White

TURN

M. Florio
M. Hawiger

UCAN

M. Shames

U.S. Dept. of the Navy

K. Davoodi
N. Furuta
L. DeLacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties

A.08-07-023

ATTACHMENT A
ADVICE LETTER 2123-E

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 21489-E	PRELIMINARY STATEMENT, II. BALANCING ACCOUNTS, DESCRIPTION/LISTING OF ACCOUNTS, Sheet 2	Revised 20721-E
Revised 21490-E	PRELIMINARY STATEMENT, II. BALANCING ACCOUNTS, POST-1997 ELECTRIC ENERGY EFFICIENCY BALANCING ACCOUNT (PEEEBA), Sheet 1	Original 19415-E
Original 21491-E*	PRELIMINARY STATEMENT, IV. BALANCING ACCOUNTS, ON-BILL FINANCING BALANCING ACCOUNT (OBFBA), Sheet 1	
Revised 21493-E	TABLE OF CONTENTS, Sheet 1	Revised 21482-E
Revised 21494-E*	TABLE OF CONTENTS, Sheet 2	Revised 21469-E



PRELIMINARY STATEMENT

Sheet 2

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)
- Research, Development and Demonstration Expense Account (RDDEA)
- On-Bill Financing Balancing Account (OBFBA)

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Advice Ltr. No. 2123-E

Decision No. 09-09-047

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Nov 6, 2009

Effective Sep 24, 2009

Resolution No. _____



PRELIMINARY STATEMENT

Sheet 1

II. BALANCING ACCOUNTS

POST-1997 ELECTRIC ENERGY EFFICIENCY BALANCING ACCOUNT (PEEEBA)

1. Purpose

Pursuant to California Public Utilities Commission (Commission) Decision (D.)97-12-103 and Resolution E-3792 of December 17 2002, the purpose of the PEEEBAs is to record the revenues and expenses associated with the electric Energy Efficiency Public Purpose Program (PPP), transference of PPP funds to a new administrator(s), and certain other adjustments to funding levels as authorized by the Commission Decision(s). Pursuant to Commission D.03-04-027, the Low-Income Energy Efficiency (LIEE) portion of the PEEEBAs shall be transferred to the Low-Income Energy Efficiency Balancing Account effective May 1, 2003. Pursuant to D.09-09-047, the PEEEBAs will track the corresponding activity in the 2009 bridge funding period and the 2010 – 2012 energy efficiency program cycle. The PEEEBAs also records the costs associated with the On-Bill Financing (OBF) Program adopted in D.05-09-043 and extended by D.09-09-047.

2. Applicability

The PEEEBAs applies to certain rate schedules and certain special contracts within the jurisdiction of the Commission.

3. Definitions

- a. Effective Date: The effective date of this account shall be January 1, 1998.
- b. Interest Rate: The Interest Rate shall be 1/12 of the most recent month's interest rate on Commercial Paper (prime, 3 months), published in the Federal Reserve Statistical Release, H.15. Should publication of the interest rate on Commercial Paper (prime, 3 months) be discontinued, interest will so accrue at the rate of 1/12 of the most recent month's interest rate on Commercial Paper, which most closely approximates the rate that was discontinued, and which is published in the Federal Reserve Statistical Release, H.15, or its successor publication.
- c. PEEEBA Revenue: Monthly PEEEBAs revenue equals the percentage of authorized PPP revenue pertaining to the Non-Low-Income Energy Efficiency program multiplied by the unbundled PPP revenue billed during the month.
- d. PEEEBA Expenses: Expenses authorized by the Commission associated with the electric Non-Low-Income Energy Efficiency PPP. Actual expenses recorded to the PEEEBAs shall be those in compliance with the guidelines for expenses authorized by the Commission.

4. Accounting Procedure: The Utility shall make the following entries to the account:

- a. A credit entry equal to the monthly PEEEBAs revenue.
- b. A debit entry equal to the monthly PEEEBAs expenses.

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PRELIMINARY STATEMENT

Sheet 1

IV. BALANCING ACCOUNTS
ON-BILL FINANCING BALANCING ACCOUNT (OBFBA)

1. Purpose

The On-Bill Financing Balancing Account (OBFBA) is an interest bearing balancing account recorded on SDG&E's financial statements. The purpose of this account is to record the difference between ratepayer funding and actual loans provided to customers participating in SDG&E's On-Bill Financing ("OBF") program authorized by Decision (D.) 09-09-047.

2. Applicability

This account shall apply to all customers.

3. Rates

See Disposition Section.

4. Accounting Procedures

SDG&E shall maintain the OBFBA by recording entries at the end of each month as follows:

- a. A debit entry equal to OBF loans provided to customers;
- b. A credit entry equal to customers' payments on their OBF loans;
- c. A credit entry equal to re-establish the loan pool balance resulting from loan defaults (which are charged to the Post-1997 Electric Energy Efficiency Balancing Account);
- d. A credit entry equal to the funds collected in transportation rates to establish the OBF loan pool;
- e. A credit or debit entry for amortization as authorized by the Commission; and
- f. An entry equal to the interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

Disposition

The OBFBA balance will be amortized as necessary to recover any under collections associated with actual loan funding above the authorized annual funding requirements embedded in rates. After repayment of all loans and termination of the OBF Program, the disposition of the over collection balance in the OBFBA will be refunded to ratepayers in connection with SDG&E's annual regulatory account balance update filing or addressed in the SDG&E's next energy efficiency proceeding.

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Advice Ltr. No. 2123-E

Decision No. 09-09-047

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Nov 6, 2009

Effective Sep 24, 2009

Resolution No. _____



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Sheet 1

The following sheets contain all the effective rates and rules affecting rates, service and information relating thereto, in effect on the date indicated herein.

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ATTACHMENT B
ADVICE LETTER 1901-G

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 17834-G	PRELIMINARY STATEMENT, IV. BALANCING ACCOUNTS, DESCRIPTION/LISTING OF ACCOUNTS, Sheet 2	Revised 17164-G
Revised 17835-G	PRELIMINARY STATEMENT, IV. BALANCING ACCOUNTS, POST-2005 GAS ENERGY EFFICIENCY BALANCING ACCOUNT (PGEEBA), Sheet 1	Revised 15869-G
Original 17836-G	PRELIMINARY STATEMENT, IV. BALANCING ACCOUNTS, ON-BILL FINANCING BALANCING ACCOUNT (OBFBA), Sheet 1	
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Revised 17838-G	TABLE OF CONTENTS, Sheet 2	Revised 17822-G



San Diego Gas & Electric Company
San Diego, California

Revised Cal. P.U.C. Sheet No. 17834-G

Canceling Revised Cal. P.U.C. Sheet No. 17164-G

PRELIMINARY STATEMENT

Sheet 2

IV. BALANCING ACCOUNTS
DESCRIPTION/LISTING OF ACCOUNTS

Listing of Accounts

- Curtailment Penalty Funds Account (CPFA)
- California Alternate Rates for Energy (CARE) Balancing Account
- Gas Storage Balancing Account (GSBA)
- Gas Energy Efficiency Balancing Account (GEEBA)
- Rewards & Penalties Balancing Account (RPBA)
- Pension Balancing Account (PBA)
- Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA)
- Core Fixed Cost Account (CFCA)
- Noncore Fixed Cost Account (NFCA)
- Post-2005 Gas Energy Efficiency Balancing Account (PGEEBA)
- Post-2005 Gas Low Income Energy Efficiency Balancing Account (PGLIEEBA)
- Integrated Transmission Balancing Account (ITBA)
- Advanced Metering Infrastructure Balancing Account (AMIBA)
- Distribution Integrity Management Program Balancing Account (DIMPBA)
- On-Bill Financing Balancing Account (OBFBA)

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Advice Ltr. No. 1901-G

Decision No. 09-09-047

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Nov 6, 2009

Effective Sep 24, 2009

Resolution No. _____



PRELIMINARY STATEMENT

Sheet 1

IV. BALANCING ACCOUNTS

POST-2005 GAS ENERGY EFFICIENCY BALANCING ACCOUNT (PGEEBA)

1. Purpose

The purpose of the Post-2005 Gas Energy Efficiency Balancing Account (PGEEBA) is to balance PGEE program expenses against revenues for the program cycle beginning January 1, 2006 approved by Commission Decision (D.)05-09-043. Pursuant to D.09-09-047, the PGEEBA will track the corresponding activity in the 2009 bridge funding period and the 2010 – 2012 energy efficiency program cycle. The PGEEBA also tracks the costs associated with the On-Bill Financing (OBF) Program adopted in D.05-09-043 and extended by D.09-09-047.

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2. Applicability

The PGEEBA shall apply to non-low income energy efficiency program cycle activities and funding from January 1, 2006 forward as approved by the Commission.

3. Accounting Treatment

The PGEEBA shall be recorded at the end of each month as follows:

- a. A debit entry equal to all expenses incurred for energy efficiency programs and activities for program cycle beginning January 1, 2006;
- b. A debit entry equal to the cost of funds calculated at the utilities' weighted average cost of capital rate of 8.43% on the average monthly balance of net funds loaned for the OBF Program;
- c. A debit entry equal to the cost of defaults associated with the OBF Program;
- d. A credit entry equal to the surcharge for the energy efficiency programs from the recorded gas PPP surcharge billed for the month, net of actual bad debt write-offs;
- e. A debit entry equal to the surcharge for the energy efficiency programs from the gas PPP surcharge funds, net of any refunds to exempt customers, remitted to the BOE pursuant to AB 1002;
- f. A debit entry equal to surcharge for the energy efficiency programs related to the refunds to customers that are exempt from the PPP surcharge under Section 896 of the Public Utilities Code and the California Energy Resources Surcharge Regulation Sections 2315 and 2316;
- g. A credit entry equal to the surcharge for the energy efficiency programs from the reimbursement of the gas PPP surcharge funds, which may include surcharge funds from interstate non-exempt pipeline customers including actual interest earned in the Fund while the funds were in the possession of the State. The amount reimbursed excludes the funds retained by the BOE/Commission to offset their administration costs, the RD&D administrator funds, and any refunds paid by the BOE to customers that are exempt from the surcharge;
- h. A year-end credit entry, if necessary, equal to the excess of annual expenditures above annual authorized levels (including authorized carry-over funding); and

(Continued)



PRELIMINARY STATEMENT

Sheet 1

IV. BALANCING ACCOUNTS
ON-BILL FINANCING BALANCING ACCOUNT (OBFBA)

1. Purpose

The On-Bill Financing Balancing Account (OBFBA) is an interest bearing balancing account recorded on SDG&E's financial statements. The purpose of this account is to record the difference between ratepayer funding and actual loans provided to customers participating in SDG&E's On-Bill Financing ("OBF") program authorized by Decision (D.) 09-09-047.

2. Applicability

This account shall apply to all customers.

3. Rates

See Disposition Section.

4. Accounting Procedures

SDG&E shall maintain the OBFBA by recording entries at the end of each month as follows:

- a. A debit entry equal to OBF loans provided to customers;
- b. A credit entry equal to customers' payments on their OBF loans;
- c. A credit entry equal to re-establish the loan pool balance resulting from loan defaults (which are charged to the Post-2005 Gas Energy Efficiency Balancing Account);
- d. A credit entry equal to the funds collected in transportation rates to establish the OBF loan pool;
- e. A credit or debit entry for amortization as authorized by the Commission; and
- f. An entry equal to the interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

Disposition

The OBFBA balance will be amortized as necessary to recover any under collections associated with actual loan funding above the authorized annual funding requirements embedded in rates. After repayment of all loans and termination of the OBF Program, the disposition of the over collection balance in the OBFBA will be refunded to ratepayers in connection with SDG&E's annual regulatory account balance update filing or addressed in the SDG&E's next energy efficiency proceeding.

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Advice Ltr. No. 1901-G

Decision No. 09-09-047

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Nov 6, 2009

Effective Sep 24, 2009

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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Issued by

Date Filed

Nov 6, 2009

Advice Ltr. No. 1901-G

Lee Schavrien

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**ATTACHMENT C
SAN DIEGO GAS & ELECTRIC COMPANY
ADVICE LETTER 2123-E/1901-G**

CLASS AVERAGE RATES

	Current Total Rate (¢/KWhr)	Proposed Total Rate (¢/KWhr)	Total Rate Change (¢/KWhr)	Total Rate Change (%)
Residential	18.000	18.031	0.031	0.17%
Small Commercial	18.221	18.254	0.033	0.18%
Medium and Large C&I	15.292	15.320	0.028	0.18%
Agriculture	17.666	17.697	0.031	0.18%
Lighting	15.799	15.830	0.031	0.20%
System Total	16.540	16.569	0.029	0.18%

CLASS AVERAGE REVENUES

	Current Total Revenue (\$)	Proposed Total Revenue (\$)	Total Revenue Change (\$)	Total Rate Change (%)
Residential	1,378,718,638	1,381,085,082	2,366,443	0.17%
Small Commercial	380,395,917	381,081,864	685,948	0.18%
Medium and Large C&I	1,297,971,413	1,300,927,409	2,955,996	0.23%
Agriculture	15,206,041	15,234,252	28,211	0.19%
Lighting	17,287,812	17,321,591	33,779	0.20%
System Total	3,089,579,821	3,095,650,198	6,070,377	0.20%

ATTACHMENT D
SAN DIEGO GAS & ELECTRIC
ADVICE LETTER 2123-E/1901-G

Summary of Annual Gas Transportation Revenues

2009 Rates with On-Bill Financing
2009 Rate Model

		BCAP Volumes	At Present Rates		At Proposed Rates		Changes				
			Jan-1-09 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>c/therm</i>	<i>\$1,000</i> <i>1/</i>	<i>c/therm</i>	<i>\$1,000</i>	<i>c/therm</i>			
1	Residential	1/	326,207	\$209,852	64.331	\$210,768	64.612	\$915	0.281	0.4%	1
2	Comml & Industrial	1/	129,794	\$39,508	30.439	\$39,624	30.528	\$116	0.089	0.3%	2
3	NGV	1/	4,030	\$3,894	96.634	\$3,898	96.726	\$4	0.092	0.1%	3
4	Total CORE		460,031	\$253,255	55.052	\$254,290	55.277	\$1,035	0.225	0.4%	4
5											5
6	Comml & Industrial	1/	86,211	\$6,708	7.781	\$6,730	7.807	\$22	0.026	0.3%	6
7	<u>Elec Generation :</u>										7
8	Pre-Semprawide	1, 2/	897,926	\$24,820	2.764	\$24,839	2.766	\$19	0.002	0.1%	8
9	Adjustment	1, 2/		(\$2,457)	(0.274)	(\$2,464)	(0.274)	(\$8)	(0.001)	(0.3%)	9
10	EG Totals		897,926	\$22,364	2.491	\$22,375	2.492	\$11	0.001	0.1%	10
11											11
12	Total NCORE		984,137	\$29,072	2.954	\$29,105	2.957	\$33	0.003	0.1%	12
13											13
14	TRANSPORT RATE REV		1,444,168	\$282,327	19.549	\$283,395	19.623	\$1,068	0.074	0.4%	14

- Notes 1/ Present Rates reflect gas rates filed in AL 1796-G, effective October 1, 2008.
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.