

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



November 10, 2010

Advice Letter 2162-E-A

Clay Faber, Director
Regulatory Affairs
San Diego Gas and Electric
8330 Century Park Court, CP32C
San Diego, CA 92123-1548

**Subject: Supplemental Filing – Request for Approval of Deviation from Rule 19
to Allow Submetering Pursuant to a Special Conditions Contract Between
SDG&E and the City of Escondido**

Dear Mr. Faber:

Advice Letter 2162-E-A is effective October 14, 2010 per Resolution E-4339.

Sincerely,

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

Julie A. Fitch, Director
Energy Division



Clay Faber
Director – Regulatory Affairs
8330 Century Park Court
San Diego, CA 92123-1548

Tel: 858-654-3563
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CFaber@semprautilities.com

August 13, 2010

ADVICE LETTER 2162-E-A
(U 902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUBJECT: SUPPLEMENTAL FILING: REQUEST FOR APPROVAL OF DEVIATION FROM RULE 19 TO ALLOW SUBMETERING PURSUANT TO A SPECIAL CONDITIONS CONTRACT BETWEEN SDG&E AND THE CITY OF ESCONDIDO

San Diego Gas & Electric Company (“SDG&E”) hereby requests California Public Utilities Commission (“Commission”) approval, in accordance with General Order 96-B, Rule 8.5.6, to deviate from its electric tariffs as outlined below.

PURPOSE

The purpose of this filing is to: (1) seek Commission approval for a deviation from Electric Rule 19 (Supply to Separate Services and Resale) that will allow the City of Escondido (“City”) to bill Southern California Gas Company (“SoCalGas”) for electricity recorded through a sub-meter pursuant to a special conditions contract between SDG&E and the City. Such deviation will allow for the installation and use of a sub-meter that will provide the City with the accurate electric usage information required to bill SoCalGas for the electric consumption associated with operating biogas conditioning equipment as described in the Field Demonstration Research and Development Agreement (Attachment B); the Agreement of Understanding between SDG&E and the City of Escondido (Attachment C) and (2) revise SDG&E’s List of Contracts and Deviations to add Special Conditions Contract 300. This supplemental filing is being filed at the request of the Energy Division and replaces Advice Letter 2162-E in its entirety.

BACKGROUND

On August 17, 2009, SoCalGas entered into an agreement with the City to install, operate, and maintain equipment to conduct a field demonstration and technology assessment of biogas conditioning equipment at City-owned and operated waste water treatment facility located in the City of Escondido. The objective of this RD&D project is to advance the state-of-the-art of producing pipeline quality biogas from the digester gases generated by anaerobic digesters at wastewater treatment plants. Biogas from wastewater treatment plants is a largely untapped

source of renewable energy. For example, the methane gas generated by the City's digester is currently sent to the flare.

Pursuant to the RD&D field test agreement, SoCalGas must reimburse the City for the cost of the electricity used by the biogas conditioning equipment. Consequently, SoCalGas is required to provide an electric time-of-use meter at the biogas conditioning equipment to serve two important functions. First, for research purposes, the meter will precisely measure and document electricity inputs used to calculate the system energy balance (energy inputs – energy outputs) through time. Second, for contract compliance purposes, the meter will provide the data necessary to calculate the incremental electricity costs incurred by the City caused by SoCalGas in operating the biogas conditioning equipment.

In order to permit the operation of these agreement provisions, SDG&E is requesting Commission approval to grant a special conditions contract exemption from Rule 19, which prohibits, except under certain limited circumstances, a customer from charging others for electricity received through a sub-meter for non-residential service as stated below. The limited deviation will allow the City to accurately allocate the cost of electricity consumed by the biogas conditioning equipment to SoCalGas under the same rates the City is billed by SDG&E under its Commission-approved rate schedules. See Attachment C – Agreement of Understanding between SDG&E and the City of Escondido.

ELECTRIC TARIFF RULE 19

B. Furnishing and Metering of Electricity

2. Multi-Tenant Non-Residential Service, states...
 - b. A single meter - Submetering of non-residential service is prohibited. A customer shall not charge others for electricity received through a single meter except where the cost of electricity is absorbed in the rent for each individual tenant, the rent does not vary with electric consumption, and...

This filing will have no impact on CPUC jurisdictional rates, does not conflict with any rate schedules or any other rules, or cause the withdrawal of service.

CONFIDENTIAL TREATMENT

Pursuant to Public Utility Code Section 583 and General Order 66-C, this Advice Letter contains confidential information and is protected from disclosure. Therefore, the Field Demonstration Research and Development Agreement as shown in Attachment B and the Agreement of Understanding as shown in Attachment C should be treated as confidential.

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 by September 2, 2010, 20 days from 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 (jnj@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: Megan Caulson
Regulatory Tariff Manager
8330 Century Park Court, CP 32
San Diego, CA 92123-1550
Facsimile No. (858) 654-1788
E-mail: tcahill@semprautilities.com

EFFECTIVE DATE

SDG&E believes that this filing is subject to Energy Division disposition and should be classified as Tier 3 (effective after Commission approval) pursuant to GO 96-B.

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.

CLAY FABER
Director – Regulatory Affairs

(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) #: 2162-E-A

Subject of AL: Request for Approval of Deviation from Rule 19 to allow Submetering Pursuant to a Special Conditions Contract between SDG&E and the City of Escondido

Keywords (choose from CPUC listing): Rule, Contracts and Deviations

AL filing type: Monthly Quarterly Annual One-Time Other

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

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

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

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

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: _____

No. of tariff sheets: 3

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

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: 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
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

ATTACHMENT A
ADVICE LETTER 2162-E-A

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 21970-E	LIST OF CONTRACTS AND DEVIATIONS, Sheet 22	Revised 21528-E
Revised 21971-E	TABLE OF CONTENTS, Sheet 1	Revised 21946-E
Revised 21972-E	TABLE OF CONTENTS, Sheet 6	Revised 21939-E



LIST OF CONTRACTS AND DEVIATIONS

Sheet 22

<u>Name and Location of Customer</u>	<u>Type or Class of Service</u>	<u>Execution and Expiration Dates</u>	<u>Commission Authorization Number & Date</u>	<u>Most Comparable Regular Tariff/Rule Schedule Number</u>	<u>Contract Differences</u>
Viejas Band of Kumeyaay Indians, Special Contract #281	Commercial	12/18/07 20 years (10/1/08 through 9/30/2028	GO 96-B, X.B, Section 8.2.3	AL-TOU	Includes administrative fee for incremental operational and settlement tasks
Poseidon Resources, LLC, Special Contract #290	Commercial	10/1/2009	GO 96-B, Rule 8.5.6	Electric Rules 15 & 16	Includes special allowance structure and payment schedule
San Diego Unified Port District, Special Contract #295	Commercial	12/14/2009	GO 96-B, Rule 8.5.6	Electric Rule 15	Includes special allowance structure
City of Escondido, Special Contract #300	Commercial	7/01/2010 Through 7/01/2011	GO 96-B, Rule 8.5.6	Electric Rule 19	Temporary Resale of Electricity for R&D Project

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Advice Ltr. No. 2162-E-A

Decision No. _____

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Aug 13, 2010

Effective Oct 14, 2010

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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Advice Ltr. No. 2162-E-A
Decision No. _____

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Aug 13, 2010
Effective Oct 14, 2010
Resolution No. _____

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Attachment B

SDG&E Advice Letter 2162-E-A

Field Demonstration Research and Development Agreement

Confidential & Protected from Disclosure

Attachment C

SDG&E Advice Letter 2162-E-A

Agreement of Understanding

Between SDG&E and the City of Escondido

Confidential & Protected from Disclosure